

Government backs down in MI5 case

By Michael Evans, Whitehall Correspondent

The Government backed down yesterday in the MI5 court hearing in Sydney after legal advice and decided to show the judge...

After advice from Sir Michael Havers and Sir Patrick Mayhew, the Solicitor-General, the Government has decided to embark on a new legal argument...



For his eyes only: Judge Justice Powell

necessary for the judge to see the documents for himself. The source said: "It is a decision against us, then we will have to consider what step to make next."

According to sources, the documents to be shown to the judge contain certain elements that would damage national security if made public.

It has already been admitted that Sir Michael Havers made the decision not to serve an injunction to stop the publication of Mr Pincher's book, 'Their Trade is Treachery', in 1981.

As The Times revealed yesterday, Sir Robert Armstrong, the Cabinet Secretary, wrote to the publishers of the book, Sidgwick and Jackson, three days before it was published.

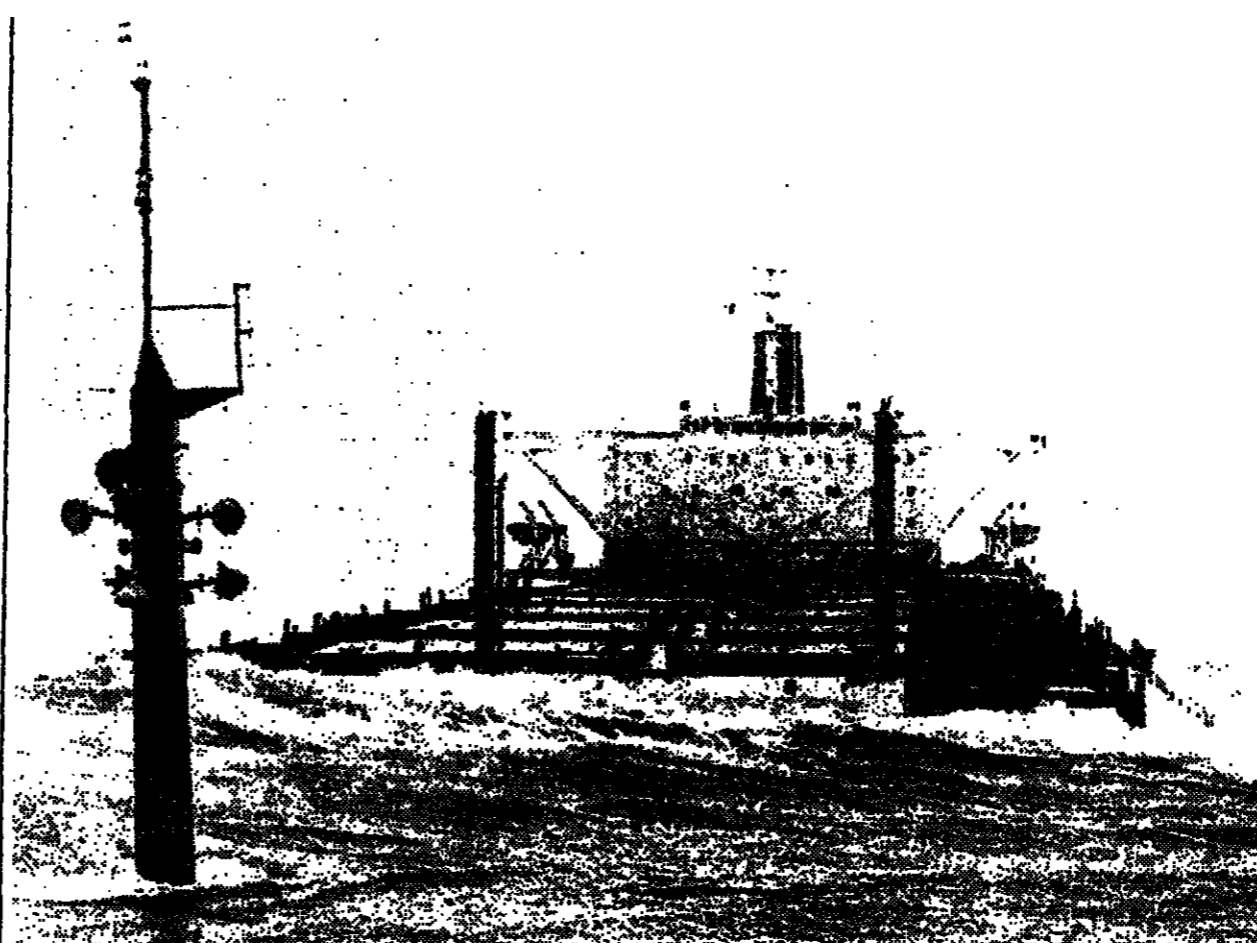
lished to ask for copies to be sent to Mrs Thatcher. Sir Robert wrote in his letter to Mr William Armstrong, managing director of Sidgwick and Jackson: "I can understand your need and wish to protect the confidentiality of the book until publication date. I can assure you that, if you are able to comply with my request, that confidentiality will be strictly observed, that the copies will not go outside this office and the Prime Minister's office..."

Apart from the sensitive documents to be shown to the judge, the Government has also decided that a few other ones can now be handed over to the defence counsel. They also relate to the decisions about the books by Mr Pincher and Mr West but do not contain anything which would damage national security.

The Government's case is that there are now three types of documents in the Wright affair: Those that are relevant but not sensitive and can be given to the defence counsel, those that are covered by legal professional privilege and those that the Government believe should be covered by public interest immunity.

Yesterday, Mr Turnbull said that one of the documents he wanted was the MI5 file on Mr Pincher, whom he claims was used by official sources to release sensitive information or as an agent of MI5.

Mr Pincher said yesterday he had never been a paid agent of MI5, although there was one occasion for about two months when a KGB officer was trying to recruit him, and he had an MI5 controller who he took out to lunch to tell him what had passed between them. "But I always paid for the lunch," he said.



Sinking below the waves: Only the forehead mast and superstructure of the stricken Kowloon Bridge remained above the water yesterday while the iron ore carrier was being pounded on the Stags Rocks off the west coast of Ireland.

Sangster's trainer out after bad season

By Michael Seely

Mr Michael Dickinson, the most successful National Hunt trainer in recent years, has been sacked by Mr Robert Sangster, the owner and football pools millionaire, after a disastrous flat racing season when the stable had only four winners.

Mr Sangster last night described the break-up as "the end of a dream. You could say it was a personality clash, an irretrievable breakdown in relations. He and I just do not see eye to eye any more."

Mr Dickinson, aged 36, who in March 1983 trained the first five home in the Cheltenham Gold Cup, took over the lavish Manton stables in Wiltshire in 1984 to prepare to repeat his success on the flat.

But, after a year spent touring the world, including four trips to the United States, to examine training methods, 1986, his first year, was notably unsuccessful for Mr Dickinson and Mr Sangster, the leading owner for five of the last 10 years.

They had only four wins from more than 40 horses. Mr Dickinson, who had 40 two-year-old horses in the stable, needed at least one season to develop their ability and, in spite of numerous rumours and denials, it comes as a surprise to the racing world that he has been sacked so quickly.

Mr Sangster said earlier this year: "Michael's brilliant record speaks for itself. I am not worried about the trainer or establishment."

"I just want him to get the best horses - without the ammunition he cannot be expected to fire winning salvos."

But staff were also said to have been unhappy at Manton, which was run like an army camp with security guards and strict discipline.

Mr Dickinson worked his staff and himself incessantly and was trainer, estate manager and building manager, simultaneously, as he tried to produce a successful stable.

He has a meticulous attention to detail. Continued on page 28, col 5

Tory attack on Thatcher's plan to cut food mountain

By Richard Evans, Political Correspondent

Mrs Margaret Thatcher's radical plan to rid the European Community of its £8.7 billion food mountains by taking farming land out of production was dismissed as a "costly nonsense" by an influential group of Conservative MPs at Westminster last night.

As disclosed in The Times yesterday, the Prime Minister will propose at an EEC summit in London next month that farmers in Britain and the rest of Europe should reduce the land they use for growing food by 20 per cent in an attempt to end the food surplus crisis, which is undermining the Common Agricultural Policy and is threatening to bankrupt the Community.

But on the eve of a Commons debate last night on next year's EEC budget, during which many Tories were planning to launch a savage attack on the Community's out of control spending and the CAP, the 71-strong Conservative European Reform Group said the "set aside" proposals would not cure the problems of overproduction.

After an emergency meeting of the group, the MPs said in a statement: "We regard such a scheme as a costly nonsense."

Her letter revealed yesterday at a meeting of the EEC foreign ministers in Brussels, asks each government to drop objections to a package of 13 internal market measures.

Mrs Thatcher's hope is that the London EEC summit on December 5 and 6 will strip away some of the barriers preventing the 12 from trading freely.

If successful, the package would be an important initial step towards the EEC's objective of 300 such measures by 1992 - the self-imposed deadline.

Although individually undramatic, ranging from common standards on testing medicines to safety criteria for the construction of industrial trucks, the measures would help remove the stigma that the EEC is a common market in name only.

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Barclays pull-out under attack

By Philip Webster and Richard Thomson

Conservative MPs yesterday launched a strong attack on the decision by Barclays Bank to pull out of South Africa, one of them calling it an act of moral and commercial cowardice.

As the opposition parties welcomed the move, the criticism from the Conservative backbenches went beyond those MPs who have been most vociferous in opposing economic sanctions.

Mr Teddy Taylor, MP for Southend East, suggested that people banking with Barclays should consider withdrawing their accounts in protest.

Barclays is the first big British company to divest its domestic South African business. It is set to realize a book loss of more than £40 million on the sale of its holding in Barclays National, the South African Bank.

Sir Timothy Bevan, Barclays's chairman, announced yesterday that the sale was worth £80 million. But exchange rate adjustments mean that the holding is valued at millions of pounds less than it was at the end of last year.

Barclays's holding in Barnat is being sold to the South African bank's other main shareholders - Anglo-American, De Beers and Southern Life Association.

Mr Michael Grylls, chairman of the backbench industry committee, said that it was a disappointing development because Barclays had a good record of encouraging

the training of blacks and encouraging black entrepreneurs through the banking system. "The anti-apartheid campaigners have shot themselves in the foot over this."

Mr Anthony Beaumont-Dark, MP for Birmingham Selly Oak, said: "The saddest thing is that a bank of Barclays distinction has allowed itself to be blackmailed by bullies. Those bullies will do more harm to the black population than anything else."

Mr John Carlisle, secretary of the all-party British-South Africa parliamentary group, said: "It bodes ill for the future of multi-racial society in South Africa."

Mr Taylor said it was an act of "appalling moral and commercial cowardice". He went on: "Those concerned about the future of South Africa and the ending of apartheid should now seriously think about removing their accounts from Barclays."

The Prime Minister was said yesterday to regard Barclays's decision as a commercial one. She may be pressed by Tory MPs in the Commons today to condemn it, but is unlikely to do so.

Whitehall's analysis is that the problem is a lack of political will.

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Tomorrow

Free my people



Released Soviet human rights campaigner Yuri Orlov argues that the West must make public and persistent its determination to link arms control progress to greater freedom in the Soviet Union

Portfolio Gold

The Times Portfolio Gold daily competition prize of £8,000, double the usual amount because no one won on Saturday, was shared yesterday by five readers. Details, page 3. Portfolio list, page 33; how to play, information service, page 28.

TIMES BUSINESS

Profits double News Corporation, the film, television and publishing group, which includes The Times, The Sunday Times, News of the World and the Sun, more than doubled pretax profits to £49.56 million in the quarter to September 30. Page 29

What's in a name?

How much is a computer project manager worth? The title can be misleading. Computer Horizons, 19-21

TIMES SPORT

Council anger

John Smith, the chairman of the Sports Council, has broken with tradition and written a letter of complaint to Mrs Thatcher over the decision by the Government not to increase grants in line with inflation. Page 56

Table with 2 columns: Home News, Overseas, Appointments, Arts, Births, Deaths, Marriages, Business, Chess, Church, Court, Crosswords, Diary, Events. Features: 14-16, Law Report, Leaders, Letters, Obituary, Parliament, Sale Room, Science, Sport, TV & Radio, Universities, Weather.

Whitehall ready to force football card

By Sheila Gunn, Political Staff

The Government is prepared to bring in legislation to force football clubs to allow entry to games by membership card only.

This is likely to be done by adding new powers to the Fire Safety and Places of Sport Bill, due to be introduced in the Commons early in December, which brings in the recommendations of the Popplewell Inquiry into the Bradford fire.

It is not yet decided whether the 100 per cent membership schemes should be run on a national basis or by the clubs.

The Prime Minister has been closely involved in the campaign to clean up English football since the Heysel Stadium disaster in May 1985 and is believed to be concerned about the effect of hooliganism on England's reputation abroad.

Government ministers are known to be worried by recent riots outside stadiums in Shrewsbury, Darlington, Torquay and Middlesbrough.

They are also disappointed by the lack of adequate anti-hooligan measures by the Football League, which is campaigning strongly against compulsory membership which, it argues, could kill off professional football in England.

Much of the credit for better behaviour on the terraces is being attributed to installation of closed-circuit television at vulnerable grounds.

Mrs Thatcher, Mr Douglas Hurd, the Home Secretary, and Mr Richard Tracey, the Sports Minister, are said to feel strongly about the continuing threat to public order from football hooligans on public transport and in town centres which ties up thousands of police officers every week.

Officially the Government is still considering the League's report and talks are continuing between the two. But the League is proposing club schemes which will mean only 70 per cent of entrants will be members - so that casual spectators will not be barred.

Mr Tracey has admitted. Continued on page 28, col 2

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Baker gets tough with the teachers

By Nicholas Wood, Political Reporter

A trial of strength between the Government and the biggest and most militant of the teaching unions over pay was looking increasingly likely last night after Whitehall sources made it clear that Mr Kenneth Baker, the Secretary of State for Education and Science, is in no mood for substantial concessions.

He will spell out his position tomorrow at a meeting with Mr John Pearman, leader of the Labour-controlled local authority employers.

If, as expected, Mr Pearman stands by the Acas agreement signed by four of the six unions last Friday, Mr Baker is likely to go to Cabinet on Thursday and gain approval for imposing a settlement.

Such a move is fraught with legislative difficulties and will be bitterly opposed by the Opposition. Almost certainly, it will coincide with strikes in schools and strong action by the biggest union, the National Union of Teachers.

Yesterday, sources close to Mr Baker discounted reports that he was ready to make a counter offer.

Instead, he will ask Mr Pearman why the employers and the unions have not responded to his plea last week for them to "think again" and meet his criteria covering overall cost and differentials.

Continued on page 28, col 2

Early birds in British Gas sale

The first completed applications for British Gas shares have started to arrive, although the prospectus was not published until today.

Almost a million copies of the mini prospectuses were delivered in Saturday's post to customers who had registered for the guaranteed allocation.

National Westminster, the leading receiving bank, said that more than 12 completed forms had been returned to its main London branch yesterday.

More than one million British Gas shares changed hands yesterday in the "grey" market, with a price of 61p quoted for the 50p partly-paid shares.

Meanwhile, the Stock Exchange said that eight City firms have so far registered to make a market in British Gas shares when dealings start on December 8.

Prospectus, pages 35-50 Quick response, page 29 Market report, page 31

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28 years' jail for drugs boss

By Stewart Teadler, Crime Reporter

One of Britain's biggest drug traffickers began a record 28-year prison sentence last night taking with him the secrets of the fortune he is thought to have earned leading a £200 million heroin ring.

Paul Dye was sentenced at the Central Criminal Court yesterday to two consecutive sentences of 14 years apiece. He had made vast profits from an organization which smuggled 40 to 50 kilos of heroin from Pakistan over two and a half years.

Judge Rant, QC, told Dye, a company director and former secondhand car salesman, that he was "devious, greedy and utterly unscrupulous".

The judge also fined him £200,000. Customs investigators believe that other money is buried in untraced Swiss bank accounts.

Full report, page 7

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NEWS SUMMARY

Three held after PC falls to death

Detectives launched a murder inquiry yesterday after a police constable plunged 50 feet to his death as he struggled with a suspect at a block of flats in Stoke-on-Trent.

PC John Taylor, aged 26, smashed through a plate glass partition of a stairwell on the fifth floor of the flats as he grappled with the man.

PC Taylor, who married his wife, Angela, a woman police constable only a year ago, died from multiple injuries. It was revealed last night that his wife is expecting their first child early in the New Year.

Yesterday, detectives were waiting at the hospital to question the other man who fell. Two other men were arrested at the scene and are expected to be charged today.

Wapping action call

Leaders of four print unions yesterday urged the powerful inner cabinet of the TUC, the Finance and General Purposes Committee, to conform to a decision taken by the annual conference in September and re-open disciplinary moves against the electricians' union whose members work for News International at Wapping.

The meeting, at which the union representatives said they were armed with "fresh evidence" about the role of the Electrical, Electronic Telecommunication and Plumbing Union in the dispute, came as the £58 million offer of termination payments to 5,140 former News International employees expired.

Parliament, page 4.

Leyland cuts jobs

Leyland Vehicles are to make 100 of the 1,300 workers redundant at Multipart, its parts operation plant at Chorley in Lancashire, by next February.

The company made a net loss of more than £100 million last year, and foreign demand, particularly from Africa, is continuing to fall.

Leyland Vehicles said that it was hoped that the redundancies would be mainly voluntary.

Bamber appeal

Jeremy Bamber, aged 25, who was given five life sentences last month for the murder of five members of his family yesterday lodged notice of appeal against his convictions with the Court of Appeal in London.

The appeal papers alleged misdirection by Mr Justice Drake at the Chelmsford Crown Court trial. They will be considered by a High Court judge, sitting in private, who will decide whether an appeal is justified.



Best's diaries

It was agreed in the High Court yesterday that £10,000 of the estimated £30,000 which George Best, aged 40, of Oakley Street, Chelsea, London, the former Manchester United and Northern Ireland football international, is to be paid by The Sun for his diaries should go to his trustee in bankruptcy.

Women's sea plunge

Two women drove off a ferry linkspan into the sea despite being told that they had just missed a sailing, an inquest heard today.

The hearing at Ryde, on the Isle of Wight, was told that Mrs Eileen Bond, aged 47, and Mrs Deborah Emmerson, aged 23, missed the departing car ferry, from Fishbourne, by between six and eight feet.

PC Kevin Guard said the women, both from Twickenham, south-west London, were told to wait for the next ferry. The inquest was adjourned until January 27.

Labour law needs stability, CBI says

The Confederation of British Industry has again openly criticized the proposed labour law reforms of the Opposition parties. There is nothing in Labour, Liberal or Social Democratic Party policies that give comfort to employers, it says.

In its latest employment affairs report, the CBI emphasizes the view of companies that a period of stability is most favoured, with no fresh legislation or rescinding of existing laws.

CBI leaders made it clear at their annual conference earlier this month that employers were united in particular against the Labour Party's proposals. Sir Terence Beck-

Couple win 'hollow' island home victory

A couple won the right to live in their own home yesterday six years after they sold it when prosecuted for failing to leave (Our Legal Affairs Correspondent writes).

The European Court of Human Rights ruled that Guernsey's rigid housing laws had been too harshly applied on Mr Joseph Gillow and his wife Yvonne.

But the victory ruling against the Government was hollow: the court did not criticize the housing laws as such and the couple will only regain the residence qualifications they originally had.

The court also accepted a last-minute submission by the Government that one of the Gillows' main claims could not be brought because the relevant protocol has never been applied to the Channel Islands.

The oversight, discovered by government lawyers in the past few weeks, means that the Gillows' claim that their right to respect for property has been violated cannot be brought.

Mr Gillow said: "We are relieved to get a ruling but disappointed that the court supported a law which is archaic and unfair." The court had in practical terms done "exactly what Guernsey

wanted" and would help no one, he said.

On the second claim, which has been found defective, he said that Britain was "in the business of denying people human rights."

"Both claims had been upheld unanimously before the European Commission on Human Rights, before the technical loophole was spotted, and they would have won 'hands down' if protocol one applied to the whole of Great Britain."

Mr Gillow said that he and his wife still had criminal convictions; and so far as many people in Guernsey were concerned, were treated as "public enemy number one."

He said that they would now consider if they wanted to return to Guernsey as licensed residents and spend the requisite number of years before they had permanent resident qualifications.

They would also consider compensation for the cost of bringing the case, which they have done alone, and for the sale of their house following their criminal prosecution for £33,000, which they claim was below the market price.

The couple moved to Guernsey in 1957 and built a house. In 1960, they went abroad because of Mr Gillow's job with the United Nations

and did not return for 20 years. During that time the housing law was changed and they lost their rights.

Yesterday the Home Office said that it was consulting with the Channel Islands and the Isle of Man to see if they wished that protocol one of the European Convention on Human Rights should be extended to them.

A spokesman said that it was "extremely unfortunate" that it had been discovered too late in the proceedings that the protocol did not cover Guernsey; but once discovered it had been the Government's duty to point it out to the court.

Child case judge tries informal approach

Counsel, court officials and ushers were ordered to remove all legal apparel yesterday, in an attempt to create a relaxed atmosphere at an indecency trial involving two girls aged seven and eight. (Our Legal Affairs Correspondent writes).

As lawyers left wigs and gowns outside, prison officers and police removed their tunics and Mr Justice McNeill stepped off the bench - minus wig and robe - and sat at a desk normally occupied by the clerk in the smallest of Cardiff's crown courts.

Minutes before the trial was due to start the defendant, a park keeper, aged 31, changed his plea to guilty but the judge requested that the jurors, nevertheless, be brought into court.

The judge told them: "You may have been surprised when you came into court to find yourselves expected to try a criminal case in an atmosphere that lacks the usual formalities of such proceedings."

"You may have heard of the public concern about young children in a case like this - nowadays called a form of child abuse - having to give evidence in circumstances of formality in a big public court."

"I decided, in this case, it would be right to put aside as much formality as possible."

He said the two little girls had been shown the empty courtroom a week ago and he had intended that they should have given their evidence alongside him.

The judge, referring to proposals for making changes in the law to allow children to be questioned in recorded interviews to be shown to the jury, said other countries were trying to see that children could give evidence in a more relaxed atmosphere.

He hoped the method he was adopting would be a useful contribution to public discussion on the matter.

The defendant, Derek Phillips of Ely, Cardiff, was sent to prison for seven years for what the judge described as a thoroughly disgusting series of offences.

Diplomat wins sex bias claim against FO

By Frances Gibb, Legal Affairs Correspondent

A woman diplomat who started legal proceedings for unlawful discrimination against the Foreign Office has won her claim that the ministry was wrong to deny her a High Commission post in Zambia because it was a "male-dominated society".

Mrs Sue Darling Rogerson's claim under the Sex Discrimination Act 1975 was brought after a decision by the Foreign Office last April to withdraw her proposed posting to Lusaka as deputy high commissioner in the political section.

The reason given, according to her solicitors, Bindmans, was that the second secretary was already a woman and that, "an all-female political section would be operationally ineffective in the conditions of a male-dominated society, which the Foreign Office considered Zambia to be."

The job has since been given to a man. But in terms of settlement released yesterday the Foreign Office admits that while acting in good faith its decision to abandon Mrs Rogerson's proposed posting to Lusaka was mistaken and cannot be reconciled with the Sex Discrimination Act.

It expresses regret for "the distress suffered by her as a result of the abandonment of the posting to Lusaka" and is re-examining its procedures for posting officers abroad, in the light of the experience gained in the present case, to ensure breaches of the Act do not occur.

Last night, Mrs Rogerson, aged 44, who has since taken up the offer of a post of equal grade as consul general in Perth, Western Australia, welcomed the settlement. "It is a very satisfactory and constructive outcome."

The terms of settlement state that Mrs Rogerson, who had backing from the Equal Opportunities Commission, accepts it was Foreign Office policy as an equal opportunity employer to develop the career of each member of the diplomatic service on the basis of individual merit irrespective of sex.

She also accepts it recognized it had an obligation to ensure her career did not suffer because of the decision not to post to Lusaka.

But both sides acknowledge that the employment provisions of the Sex Discrimination Act "may not be easy to apply to the special circumstances of the diplomatic service".

Miss Felicity Crowther, her solicitor, said that she believed the case was the first of a diplomat claiming unlawful discrimination. In general the Foreign Office was aware of its responsibilities and was not "inherently discriminatory".

But evidence from a number of people both in Zambia and in the United Kingdom demonstrated that it was "a forward looking society where women play an important role".

Women were represented at Cabinet level to a greater extent than they were here, Miss Crowther said.

In view of the Foreign Office's admission of its "mistake", Mrs Rogerson is withdrawing her complaint to the industrial tribunal.



Dr Saleem Goolamali with some of the patients' files that form part of an ever-growing hospital waiting list. (Photograph: Mark Pepper).

Rest day goes to aid patients

By David Cross

"It's like the old Japanese trick of keeping plates in the air. You just juggle with patients to try to fit them all in," says Dr Saleem Goolamali, a consultant dermatologist at Northwick Park Hospital, in north-west London.

Yet as the waiting list for National Health patients with routine skin ailments in his hospital has grown longer and longer, he has come up with a novel idea to cut it at a stroke.

On Saturday, December 6, he and his team of doctors and nurses will forego a day's well-earned rest and fit in an extra 120 patients.

"Although I have already increased the number of weekly sessions at the hospital from four to six, this has not made a major impact on the waiting-list," he says. "So I thought 'Let's have a special day when we see people with all the routine complaints - people with warts and those worried about losing their hair.'"

"These are not life and death cases but to the individuals concerned they are of great importance."

Dr Goolamali has agreed to work from 9am to 5pm on December 6 without pay. As a private consultant he could earn up to £40 for a single consultation in Harley Street.

"It is a gesture to the community to show that there are National Health consultants who will put themselves out to help non-urgent cases," he explains.

The other members of the team - four GPs with training in dermatology, four nurses and a registrar in the accident and emergency department - will be paid for their services if they so desire.

There will also be a pharmacist on hand to give out prescriptions and the plan is that patients seen that day will not need to return for any follow-up treatment.

No extra ancillary staff will be required as the hospital is, in any case, open on Saturdays.

Dr Goolamali would like other specialists to follow his example. But he recognizes that dermatology is a special case. "We have a lot of routine cases which can be dealt with on the spot," he says. This is not the case with many other illnesses, he points out.

Yesterday Dr Goolamali dealt with 21 patients during his morning clinic and another 17 during the afternoon session.

Call for physics teachers

By Our Education Reporter

Britain needs 2,500 more physics teachers immediately to alleviate growing shortages in the sciences, a conference on the crisis in higher education was told yesterday.

Professor Paul Black, the president of the Association of Science Education, was speaking to representatives from 51 universities, polytechnics and colleges.

The conference in London was in response to a consultative document issued by the Department of Education in the summer which highlighted the grave problems affecting schools.

A total of 359 vacancies existed in physics at the start of this year compared with 252 for 1982. In craft design and technology, the number of vacancies rose from 114 in 1982 to 201 at the start of the year.

The conference was told that many science teachers have no relevant qualifications. Professor Black said that 18 per cent of physics teachers now fell into that category. Fewer teachers led to poorer work in schools, declining numbers of science graduates, and hence even fewer teachers.

Sir Peter Swinnerton-Dyer, chairman of the University Grants Committee, said that the committee welcomed universities' efforts to encourage entrants to mathematics and physics courses. He was responding to fears that the committee might penalize institutions which considered lowering entry requirements in those subjects for prospective teachers.

He said: "I want to make it clear that universities which act in this way will not be put at any disadvantage by doing so." He added that the committee, starting in the academic year 1987-88, would be setting aside £1 million a year for increasing the supply of science teachers in schools and would be inviting bids from the universities in the near future.

Woolworth plans children's stores

By Alan Hamilton

The High Street shopping giant F W Woolworth is planning to open a chain of more than 100 stores catering specifically for children.

The shops, to be called Kids Store, will aim to sell everything required by a child, from clothes and confectionery to toys and prams, from birth to early teenage years.

Mr Malcolm Parkinson, Woolworth's chief executive, said yesterday that the first of the shops would open next Spring, and that all would be in town centre locations. At the moment the company is in the process of revamping its image.

Boots, another familiar retail name, is planning a similar chain under the name Children's World, but has opted for suburban superstore sites.

By offering a comprehensive range of merchandise, as well as attractions like restaurants and soda bars, Woolworth believes it can compete strongly with established names in that growing specialist market, such as Mothercare.

The shops will offer parents the chance fully to kit out their children all under one roof. Mr Parkinson said. The plan is part of an aggressive marketing strategy adopted by Woolworth after the company fought off a takeover bid from Dixons, the photographic group.

None for the road this Christmas

By Peter Evans, Home Affairs Correspondent

The Government launches its Christmas drink-drive campaign tomorrow with an uncompromising appeal: if you are going to drive, do not drink.

The campaign, to be initiated by Mr Peter Bottomley, Minister for Roads and Traffic, will be in marked contrast with a previous one which attracted criticism.

That showed a glass with drink at the bottom and urged drivers to "stay low". Critics thought it incited people to drink.

This time the message is unequivocally that drinking and driving is dangerous. It ties in with demands which will be made by a new alliance of concerned bodies, Action on Drinking and Driving, that Britain's 80mg limit be reduced to 50mg.

In a policy statement yesterday, the alliance said that most laboratory studies showed impairment occurred by 70mg, but others had shown it to happen at still lower levels, between 10mg and 40mg.

"Random breath testing has been tried and tested abroad and shown to work."

Christmas shopping, page 7

Warning on spray snowflakes

By Angela Johnson

Cans of artificial "snow flakes" aerosol sprays, being sold for decorating Christmas trees, could be lethal if sprayed near a naked flame, the British Safety Council said yesterday.

The council said the green cans of Snow Flakes, pine-scented, which were marketed last year by Porth Decorative Products of South Wales, are highly flammable.

The product is still for sale in shops, despite the introduction of a new burgundy-coloured can which is labelled non-flammable.

Mr James Tye, chairman of the council, said: "The marketing company has withdrawn green cans, but unfortunately we have already found that some stores have kept their old stocks for this year."

"I would advise anyone buying these novelty sprays only to purchase the new burgundy cans, which are manufactured using a non-flammable propellant."

The council said it was delighted by the small number of complaints about toys which have been made this year.

School breakfast attracts 200 pupils

By Mark Dowd, Education Reporter

More than 200 pupils from Bracknell, Berkshire, were in a hurry to get to school early yesterday morning.

The magnetic attraction for students at Garth Hill Comprehensive was not algebra or even the sonnets of Shakespeare, but the launch of a new restaurant with the prospect of breakfast before their first academic engagements.

Mr Stanley Goodchild, the headmaster, who pioneered the new scheme, said that it was the first school in the county and possibly in the country, to offer breakfast before lessons.

Why was he pushing this nutrition revolution? "Many parents these days go off to work early in the morning and leave their children to get their own breakfast."

More often than not, children don't bother and prefer to stop at the sweet shop on the way to school," he said.

During several previous years as an inspector, Mr Goodchild said he had concluded that schools often insulated pupils by both the presentation and content of the food they provided.

"A school needs to be run as a business, using business techniques and that includes catering," he said.

The service had to be self-financing and hence the new restaurant, to pull in the numbers.

Garth Hill, which has 1,200 students in the 11-19 age bracket, already boasts a £200,000 industry-sponsored computer centre.

Anticipated demand for breakfast meant that tickets for the 212 seats had to be distributed at the end of last week. They were snapped up within an hour.

A quick glance at the menu suggested healthy eating at a reasonable price.

No fried foods, wholemeal rolls, with a typical spot of *petit dejeuner* being poached eggs on toast with coffee.



Kevin Fowles, aged 14, getting a taste of the restaurant at Garth Hill Comprehensive.



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Shopkeepers deny selling solvents that killed boy, 14

Two shopkeepers were in court in London yesterday facing what was believed to be the first case under a new Act forbidding the sale of solvents to children aged under 18 knowing they were likely to inhale it.

Chandrakant Patel, aged 35, and Sureshbhai Patel, aged 23, both of St Stephen's Close, Southall, west London, denied the charges, which arose after the death of a boy aged 14 who inhaled and swallowed a typewriter correction fluid.

The two men were moved from the dock in Tower Bridge Magistrates' Court so that an interpreter could hear the soft-spoken words of the first witness, Robert Walker, aged 12. He said he was with his friend, Lee Kendall, when Lee bought the fluid thinner in the Patels' shop only days before Lee died.

Mr Chandrakant Patel pleaded not guilty to supplying Lee with the fluid between July 27 and August 6 knowing that he was under 18 and having reasonable cause to believe he was likely to inhale it "for the purpose of intoxication".

He denied a charge of supplying the boy with the fluid on August 6.

Mr Sureshbhai Patel, described as a relation, pleaded not guilty to supplying the fluid to Lee on August 4, with reasonable cause to believe he was likely to inhale it.

He also denied a charge that not being a British citizen, he disobeyed his permission to stay in the country, which expires next February, by entering into employment.

The solvent charges are brought under the Intoxicating Substances (Supply) Act

1985. A court official said it was understood it was the first prosecution before a court under the Act, which affects England and Wales.

Robert Walker said he and Lee went to the Patels' shop in Dumton Road, Southway, where Lee bought three bottles of the fluid.

Robert, of Conway Drive, Banbury, Oxfordshire, who said he was visiting his grandmother in Bermondsey, east London, at the time, described how he watched as Lee and "his mates" sat in the Spa Park near by and sniffed the fluid.

"They tried to get me to take it, but I would not take it," he said. "They were taking it. They were acting strange. They were like all wobbling. It went on for about 10 minutes."

He had returned from going to his grandmother's for lunch to find Lee and his friends sitting in an old hut sniffing the fluid, he said.

"I went and sat on one of the park benches. I waited half an hour and then Lee and his friend Crispin went to get some more fluid."

It was when they returned that he watched them "wobbling", Robert said.

Later that day after doing a shopping errand for Mrs Maria Kendall, Lee's mother, they were at Lee's home, and left after Lee had been upstairs to his bedroom.

"He had something under his jumper. He showed me; it was a red transistor radio. He had got it out of his bedroom," Robert said.

He said the shop was crowded but when most people had left the smaller of the two men in the shop said to

Lee: "What have you got for me today?"

Lee had replied: "I have got a good radio, it is good for listening to the cricker."

A price of £3 had been agreed, and the cash was handed to Lee who then "pretended to look around the shop before selecting three bottles of the fluid thinner, and also asked for a single cigarette."

"Lee put the fluid in his pocket and went round the corner and smoked the cigarette," Robert said.

Mr Lindsay Burn, for the prosecution, said one of the reasons why boys went to this particular shop, known as Terry's, was because they sold the fluid at 55p a bottle, which was cheaper than other shops in the area.

The fact that a transistor radio had been accepted effectively as payment for the three bottles bought on one occasion was "unusual", he added. A Walkman tape recorder had been taken to the shop on another occasion.

Mr Burn said it must have been apparent to both defendants that with Lee Kendall they were dealing with someone obviously under the age of 18.

Because of the quantities purchased, and exchanging goods for the fluid, the likelihood was that the boy wanted the product for inhalation and clearly did not want it for legitimate use, Mr Burn said.

On August 8 Lee Kendall died and the cause of death was the inhalation of the chemical from the fluid, Mr Burn said.

The hearing continues today.



Caroline Lewis, aged 12, from the Wallace Field School, Epsom, Surrey, rehearsing yesterday on her cornet for the Schools Proms. She is one of 1,200 young musicians playing this week at the Albert Hall, London (Photograph: Peter Trivnor).

General Medical Council

Jaffe juice 'highly addictive'

The drug used to make "Jaffe juice", a concoction with which a hypnotherapist allegedly injected a wealthy businessman up to five times a week, would have virtually turned him into an automaton.

That was alleged yesterday at a resumed General Medical Council disciplinary hearing in London where Dr Joseph Jaffe is accused of serious professional misconduct.

The hearing was told that the drug was so addictive it made a dog used for experiments with it put up its paw to ask for more.

The hearing, which was

adjourned in August, has been told that Dr Jaffe, a Manchester doctor, gave Mr George Waterson five years of drug treatment and hypnotherapy for which he paid up to £60,000 after being referred by his own doctor.

In that time Mr Waterson's bicycle business which had been making £800,000 a year was ruined. Dr Jaffe put in charge his own accountant who reduced the former owner's salary to £100 a week.

Dr Jaffe, a former mayor of Salford, allegedly treated Mr Waterson, aged 49, who was suffering from anxiety and depression over his family and

business affairs, with a barbiturate drug.

The drug, used by dentists and in hospitals as an initial anaesthetic, was described as addictive and potentially dangerous by Professor John Robinson, a consultant anaesthetist from West Midlands Health Authority, who has contributed to two medical papers on the drug.

Dr Jaffe, aged 60, denies five charges of serious professional misconduct relating to his treatment of Mr Waterson.

The hearing continues today.

Solicitor is accused of stealing

Ian Wood, the solicitor who faces a double murder charge and one of attempted murder, was yesterday accused of stealing £84,800.

Mr Wood, aged 37, of Ughill Hall, Bradfield, Sheffield, was remanded in custody for seven days by Sheffield Magistrates' Court.

He was accused of two charges of stealing.

Mr Wood has already been charged with the murders of Danielle Lloyd, his girl friend, and her daughter Stephanie, and the attempted murder of her son Christopher. Reporting restrictions were not lifted.

Portfolio Gold Artist draws a winner

Four readers share yesterday's Portfolio Gold prize of £8,000.

Mrs Phyllis Murray, aged 53, a part-time artist from Eastbourne, has played the Portfolio Gold game since it started in *The Times*.

"I am absolutely thrilled," she said. "I could not believe my luck. It is quite fantastic".

She plans to spend most of her prize money on improvements to her new flat.

Mr George Beabow, aged 49, a schoolteacher from Upper Woolhampton, Reading, said he would spend his winnings on a new car.

Mr Allan Charlesworth, aged 61, a retired airline administrator, from Bellingham, Macclesfield, said he would spend some of the prize money on "household things" and invest the rest.

The other winner is Mrs Anne Preece, aged 30, the director of a medical clinic in Bourne-mouth.

Readers who wish to play the game can obtain a Portfolio Gold card by sending a stamped addressed envelope to: Portfolio Gold, The Times, PO Box 40, Blackburn, BB1 6AJ.

Readers who wish to play the game can obtain a Portfolio Gold card by sending a stamped addressed envelope to: Portfolio Gold, The Times, PO Box 40, Blackburn, BB1 6AJ.



Mrs Phyllis Murray

Tug of love

Father jailed for kidnapping girl

A father who kidnapped his daughter and flew her out of Britain in a tug-of-love custody case was jailed at Southwark Crown Court, south London, yesterday.

Her mother and her two brothers finally managed to snatch her back. But although the mother and her daughter, aged five, got away safely her two brothers were jailed and tortured in Egypt.

The Egyptian father had fled to Cairo with the girl after his wife, born in the Irish Republic, was given custody.

The father, an archaeologist aged 32, was jailed for 18 months, 14 of them suspended, after admitting abducting his daughter on February 18, 1985.

The court heard that when the couple's marriage of four years broke up the girl's mother, aged 32, was granted custody and the father was not allowed to see his daughter.

But the mother took pity on her former husband and let the child stay overnight with him at his home in Maida Vale, north-west London.

After three days she had not seen or heard from either him or her daughter and finally rang his parents' home in Cairo.

Mr Georges Khayat, for the prosecution, said: "She spoke to him and could hear her daughter in the background."

"The mother contacted an organization called Find A Child which funded her and her two brothers to snatch the child back."

They flew to Cairo and then carried out a carefully planned

operation to reunite the girl and her mother.

The mother rang the bell of her former husband's parents' home in Cairo and screamed out her child's name.

A car, driven by a friend, was waiting outside with the engine running and when the daughter dashed out they picked her up and sped away.

They dumped the car and the mother hired a taxi and she and her daughter were driven across the desert to Israel, at a cost of £180.

Meanwhile her two brothers were set upon by her former husband's neighbours. Police were called and the two men were thrown in jail, strung up by their hands and whipped.

Finally they were thrown out of prison and made their way to the Irish Embassy which arranged for them to fly home.

When the child's father returned to Britain he went to Harrow Road police station in west London and asked for help to get his daughter back.

The officers knew he was a wanted man and arrested him on the spot, Mr Khayat said.

Mr Khayat told the court that the girl was living happily with her mother and had recovered from her ordeal.

Judge Anvyl-Davies, QC, told the father: "To invoke love as you did is entirely against the interests of the child."

He ordered that the girl should not be identified.

The court was told that in February last year the father was fined £150 for three offences of indecently exposing himself.

Boy sentenced after £80,000 DHSS blaze

One of two boys aged 14 who admitted setting fire to the Department of Health and Social Security in Stanley Road, Liverpool, last March, causing £80,000 damage, was sentenced to two and a half years' detention yesterday.

Liverpool Crown Court was told by Mr Ian Trigger, for the prosecution, that the fire was started deliberately on the ground floor by people cutting up strips of card after breaking in through a fire door.

The second boy was remanded on bail for reports.

Awards for nature work

Outstanding conservation achievements are to be recognized by a new national awards scheme, Mr Nicholas Ridley, Secretary of State for the Environment, announced yesterday.

Under the scheme, the Royal Society for the Protection of Birds Awards, sponsored by Esso UK, will honour contributions to wild bird and countryside conservation by individuals, industry and the media.

Driver killed by falling tree

An elm tree blown down by a freak gust of wind, crushed a car killing Mr Anthony Marsh, aged 43, of Deans Farm, Wretton, Norfolk. His daughter, Emma, aged 10, was in hospital yesterday, seriously ill with head injuries.

Villagers in Methwold, Norfolk, worked with chainsaws to free them from the wreckage. The tree, one of an avenue on the B1106, was due to be cut down this week.

'Be detectives' parents urged

Parents have been urged to turn detective on their children by Mr Barry Price, Chief Constable of Cumbria, as part of a drug campaign.

Mr Price, who has promised an amnesty for young addicts reported by parents, said: "Searching a child's belongings is better than letting the dangerous habit continue."

Diabetic to get award

Harry Pearson, aged 73, one of the first diabetics to be given insulin after its discovery in 1922, is to be given an award after injecting himself with the drug 38,000 times.

Mr Pearson of Darley Avenue, Matlock, Derbyshire, will be presented with a medal by the British Diabetic Association.

Youth accused

A teenager appeared before magistrates in Lowestoft, Suffolk, yesterday accused of abducting a woman aged 34 and her two sons, aged three and 11, at knife-point.

Steven Cyprus, aged 19, of the Fyffe Centre, Lowestoft, was remanded in custody for eight days charged with kidnapping and robbery.

'Jogging rapist' given 18-year jail sentences

Winston Messam was sentenced to 18 years in jail at the Central Criminal Court yesterday for four sex attacks on women in West London.

Judge Lowry said that Messam, of High Street, Acton, west London, had "inflicted grave emotional scars" on his victims, whose homes were selected as he jogged at night through residential areas.

Three of Messam's victims never went back to their homes, the judge said. One victim had gone abroad and another had been forced to change her job because of fear of being alone with strangers.

"Anyone who watched those women re-living their ordeal in the witness box realised there must be grave emotional scars inflicted on them: Each of their lives has been gravely affected by what you did," the judge said.

He added: "My main concern must be the public, and in particular women. There has been no sign of remorse and anyone who knows of this case is fearful of crimes you might commit in the future."

Messam, aged 20, was given an 18-year sentence for each of the four rapes. Judge Lowry

directed the sentences to run concurrently.

Messam was also given a total of 10 years for burglaries, also to run concurrently.

The jury which convicted Messam were told he chose women who were cat lovers and who left their windows open.

His victims, aged between 24 and 45, were attacked between September 1984 and January this year. Judge Lowry said that Messam had begun the series of rapes when he was only 18. A skilful burglar, he selected targets while out training.

"You were not only looking for opportunities for theft, but diagnosing where there were defenceless women alone in their homes."

"All these were extremely grave aggravated crimes of rape a woman alone in her home, surprised by an intruder. Each time you were masked to evade detection. In three cases you were armed with a knife."

The judge said that Messam stole from his victims and added to their fear and degradation by such comments as: "Are you enjoying



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PARLIAMENT

Oil and gas industries 'in great difficulty'

OIL INDUSTRY

The oil industry was going through one of its most difficult periods since oil and gas were first discovered off Britain's coast.

When no more oil or gas was economically recoverable from a field the installations used to recover that oil and gas would still be in situ and it was necessary to make provision for what was to happen to them.

The opportunity had also been taken to deal in the Bill with a number of other important issues.

Abandonment was not in any practical sense an immediate problem. It would probably not be until the early 1990s that the first installation or structure came to the end of its life and steps had to be taken to remove it.

There were some 150 oil and gas installations on the United Kingdom continental shelf at present. As the industry would continue to develop for many decades to come that number would be likely to be added to over the years.

There was a wide variety of different installations to consider. Some were fairly small and lightweight while others were giant, particularly the huge steel and concrete structures placed in water depths of up to 185 metres.

The heavy ones were mainly in the northern North Sea. In the southern North Sea, the smaller structures, weighing as little as 300 tonnes.

Steel structures weighed up to 38,000 tonnes and the concrete ones, of which there were some 10 in the North Sea, weighed up to 650,000 tonnes.

"This does illustrate the scale of the challenge which the industry and the Government has to face and which we endeavour to address ourselves to in this Bill."

Costs of removal could involve huge sums of money. Estimates made in co-operation with the oil industry in 1984 had shown that, in broad terms, total removal of structures in place would amount to £6 billion, a very large sum indeed.

Deep water only contained a third of the structures yet it was estimated that it might involve more than three quarters of the total cost.

There was existing legislation which required the removal of structures in very general terms to the satisfaction of the Secretary of State. What was lacking under present legislation was any detailed framework to deal with the abandonment of platforms and installations.

There was no provision to set standards, to deal with submission and approval of removal plans, or to prevent default from operators and the Government had sought to strike a balance between them. Over the past year, a number of consultations had been undertaken.

They had to ensure that the Bill's provisions were consistent with international obligations. Certain obligations under the Geneva Convention of 1958 had been laid down when the

North Sea was not developed as it was now, and international law was not related to such structures.

The situation was evolving and would continue to do so while the Bill went through. That was one reason why the Government had chosen the framework of the Bill. The Bill would control the safe and orderly abandonment of installations, but did not itself set standards. That would be done by regulations.

There had been some question about what international law at present required. The fishermen believed that it required total removal of installations no longer used, but that was not the Government's view.

The onus for removal of the installations rested with the owners, but using regulations made it easier to vary what might be required, in the light of experience and of any changes in international law.

The Secretary of State would have power to draw up a programme for removal where the owner was unable or unwilling to do it, and could recover the costs incurred. The Government had a responsibility to ensure that the interests of the country and the taxpayer were protected.

He was aware that some oil companies believed that the provisions of the Bill were too severe. They would consider, with the oil companies, whether there was a better way of achieving the objective, but the objective itself was a fair one. One provision being considered was that there might be a common fund to which the oil companies would make the major contribution.

They had been discussing such proposals, but as no specific programme had been brought forward, the Government had introduced its own.

The Bill also dealt with the question of royalties, up-dating the royalty regime, and rationalizing procedures for royalty accounting and arbitration. It also provided an enabling power to allow repayment of royalties to make allowances for abandonment costs.

Power would also be given to the Secretary of State to prohibit the use or testing of any pipeline until specific steps had been taken by the owner of the pipeline to ensure that funds available to discharge any liability for loss or damage.

Putting these matters on the statute book would provide the necessary legislative framework as well as concentrating the minds of everyone in the oil industry, the supply industries, and the international sphere, to the problems.

By a flexible approach, the Government would be able to react to changes in views, policies and events, particularly at an international level, as they evolved over the years and the first abandonment became closer.

Mr Edward Rowlands, an Opposition spokesman on energy, said that the Opposition understood the enormous and awesome implications of abandonment: technical, fiscal, financial, as well as the profound concern felt by many earning their living out of the North Sea.

There were about 6,000 installations scattered around the seas of the world, but the majority stood in waters less than 40 metres deep. Only 360, including 90 per cent of those in the United Kingdom continental shelf, stood in waters greater than 75 metres in depth, so it was right and responsible to address those problems as early as possible.



Mr Walker (left): Decision as soon as possible. Mr Goodlad: Meter trial promised. Mr Hunt: Investment level is justified.

Investment in coal is queried

A Labour MP questioned changes in the accounting practice of the National Coal Board after the announcement of record levels of investment in the British coal industry by this Government during Commons questions.

Mr Alexander Eadie (Midlothian, Lab) asked whether two changes in accounting practice had been taken into consideration.

Mr David Hunt, Under-Secretary of State for Energy, said: "What he has failed to appreciate is that, even if you look at the total amount of investment under the previous Labour Administration it is less than envisaged under (Labour's) Plan for Coal and considerably less in real terms than under this Administration."

We have seen a record level of investment which this Government believes is fully justified and which the last Government did not.

Earlier he told Mr Andrew Stewart (Sherwood, C) that £5 billion had been invested in the coal industry since 1979. In real terms the rate of investment had been more than 35 per cent a year higher than under the previous Administration.

Mr Stewart said that the rate of investment had made the coal industry competitive. Would he deny the allegation that all that this Government had done had been to close collieries.

Mr Hunt said that he was correct. The miners' strike had lost nearly half a billion pounds in the coal industry since 1979. Under this Administration, and excluding the year of the miners' strike, there had been almost 30 per cent higher investment a year in real terms than under Labour.

Mr Ronald Davies (Caerphilly, Lab) asked if he would ensure that British miners had access to the best and most up-to-date training equipment.

Mr Hunt said that he had seen in his visits to collieries some of the finest equipment and some of the finest miners in the world. Mr Peter Harley (Wentworth, Lab) said that investment in the coal industry in the past decade stemmed from the Plan for Coal for which the last Labour Government was responsible.

Would he make sure that there was further efforts to secure greater markets for British coal in Europe? Would he take steps to see that South African coal ceased to come into this country?

Mr Hunt: I am surprised he should mention the discredited Plan for Coal. Investment under this Government has been far higher in real terms than was ever envisaged under Plan for Coal.

Mrs Ann Clywd (Cynon Valley, Lab): There have been four deaths in South Wales in the past financial year and there is an upward trend in reports of accidents. Increases in productivity are being achieved by unacceptable safety levels, to the danger of people working in the industry.

Mr Hunt: That is one of the most disgraceful insults I have heard in the House. It is an insult to all who work in the industry. Pit safety is always paramount.

Walker will not commit himself on Sizewell

Mr Peter Walker, Secretary of State for Energy, refused to commit himself, despite several requests, to publish the Inspector's report on Sizewell before coming to a decision on whether or not to build a pressurized water reactor there.

He said that the Inspector, Sir Frank Layfield, expected to deliver the report at the end of this month or early next.

"I shall decide on the publication date when I have seen and considered it."

Mr David Heathcoat-Amory (Walling, C) asked for an undertaking that there would be an urgent Commons debate into the situation in which projects were being held up by the inquiry having taken more than four years.

Mr Walker agreed that decisions must be reached as quickly as possible.

Mr Simon Hughes (Southwark and Bermondsey, L) suggested that if Mr Walker was so keen to privatize electricity supply, he should offer the private sector a PWR. He would then find that there was no economic case for it.

Mr Walker promised to consider the suggestion carefully.

Mr Anthony Speller (North Devon, C) asked for a guarantee that the private sector would be split about fifty-fifty on the desirability or otherwise of the

ENERGY

continuation of the nuclear industry. Will the minister undertake that we may first have a discussion before there is an answer?

Mr Walker: I have said that I wish to see and consider the report before making up my mind on those matters.

Mr Bernard Coslan (Gateshead East, Lab): The long delay has created havoc in the industry. It is imperative for him to make an early decision.

Mr Walker replied that there had been no way in which he could hasten the Inspector, although all the services he needed had been provided.

He said Mr Stanley Orme, chief Opposition spokesman on energy, that he wished to see the report before making a decision on its publication.

Mr Dale Campbell-Savours (Wokingham, Lab): Not only is it down a tenth, but by 1991 the discharge into the marine environment from Sellafield will

be almost zero, an important objective of every green organization with the United Kingdom.

British Nuclear Fuels in developing the Thorpe processing plant will have spent £1,500 million by 1990 and created thousands of jobs.

Mr Walker said his remarks showed the difference between those in the Opposition who knew what was going on and those who did not. "I am grateful to him for pointing out there will be further major reductions by 1991."

Mr Eric Heffer (Liverpool, Walton, Lab): People on Merseyside and in Ireland and Northern Ireland are very concerned about what is happening in the Irish Sea. There has to be something better than what is happening at the moment. The Irish Sea is becoming a nuclear wasteland (Conservative shouts of "Rubbish!").

People on Merseyside are so scared of what is happening they refuse to go fishing in the sea. Mr Walker: I am surprised at his comments because he was a minister in the Department of Trade and Industry during the period when pollution in the Irish Sea was 10 times what it is at present.

Mr Heffer: I was not responsible for that.

Coal sell-off is not beyond possibility

The possibility of privatization in the coal industry could not be ruled out, Mr Peter Walker, Secretary of State for Energy, said during a question time in the Commons.

His reply came during a question when Mr Peter Rose (Erewash, C) asked: When will British Coal management and miners be given the opportunity to follow British Gas employees in becoming shareholders in their enterprise as a reward for the excellent progress the industry has made in recent months and provide a further motivation for improved productivity and profitability in the industry?

Would he find Sid's brother and tell him? Mr Walker: There are no plans for privatization. Those operating the National Coal Board and the miners have benefited from the improvements that have taken place.

Mr Roy Mason (Barnsley Central, Lab): In the proposed structural changes for British Coal, will he give an undertaking that none of the plans will enable the privatization of British Coal?

Mr Walker: I have always said to the House that of course I would not rule out the possibility of the privatization of coal; it would be absurd if I did.

Mr Geoffrey Lofthouse (Pontefract and Castleford, Lab): Does he support an increase in the private sector of the British coal industry?

Mr Walker: The arrangements that have taken place in deep mines and open cast mines have been practical and sensible and

have been to the benefit of the coal board and the industry. There is no problem so far as that is concerned.

Mr Stanley Orme (Salford East, Lab): Was Sir Robert Haslam (chairman of British Coal) speaking on his own behalf or the Government's when he spoke of privatization and preparing the industry for privatization?

Mr Walker: I have read what he said to a select committee of the House concerning the position of British Coal. They were perfectly reasonable comments for the chairman to express.

There were promising developments in remote meter-reading technology for electricity users, Mr Alexander Goodlad, Under-Secretary of State for Energy, said during Commons questions.

The Electricity Council had received a report recently on the field trial of remote reading systems, he said, and as a result was now planning to proceed with the next stage of development which was expected to lead to the installation of a large-scale pilot scheme.

Mr Gerald Bowden (Dulwich, C): Does he recognize the benefit which such a remote meter-reading scheme might have for a place such as London, where many people are not in when the meter reader calls?

Mr Goodlad: He is correct about the potential value of remote meter readings. He will be pleased to know it is intended that the proposed large-scale pilot scheme involving 200,000 homes will be in London.

Attack on lobby system

The lobby system came under attack in the Commons from Labour MPs when Mr Dale Campbell-Savours (Wokingham, Lab) sought an emergency debate.

The whole of the press was perplexed and at a loss to understand why Parliament could not discuss the M15 case taking place in Australia. Mr Campbell-Savours (Wokingham, Lab) said:

It was being said that while in medieval times kings debased the coinage today the Government was undermining the flag. The Government was abusing the Civil Service and Mr Benjamin Downing, the Downing Street press secretary, and Mr James Coe, his deputy, would do well to consider their position. A civil servant was being used not only to attack MPs but to scatter the seeds of division between the Prime Minister and the Attorney General.

In a shabby betrayal of a Cabinet colleague the Prime Minister was inducing civil servants to attack the Attorney General, who was in Australia and guided by her in all his actions.

The Prime Minister was the head of Britain's security services. These decisions were her decisions and she could not deny her responsibility.

The trade of a Prime Minister who lacks the courage to admit failure and then uses the scalpel remorselessly to incise the reputation of a parliamentary friend and colleague of 25 years is one of treachery, he continued.

A courageous decision was needed from the Speaker.

Cumbersome Act used in papers move, Luce agrees

WAPPING

Mr Richard Luce, Minister for the Arts, told the Commons that Lord Justice Watkins, who had given judgment on the banning of News International publications from some public libraries, had said that the Public Libraries and Museums Act, 1964, involved "a cumbersome procedure which is wholly unsuited to meet the requirements of a necessarily swift resolution of the issue arising out of the ban."

Mr Luce said that he had started proceedings under this Act, but in July News International decided to take court action.

Mr John Cartwright (Woolwich, SDP) had said that the High Court judgment against three London boroughs made it clear that all the authorities that had banned News International publications in support of protesters' pickets in the organization's move to Wapping had acted illegally.

Would Mr Luce confirm that he had statutory powers to uphold the law in these matters?

"Why has he not followed the advice of the Libraries Association given in March and used his powers to require those authorities to drop the ban forthwith?"

Earlier, Mr Luce said that following their successful High Court action against three London boroughs, News International had indicated that they might institute proceedings against the other English and Welsh authorities operating similar bans if these were not lifted quickly.

"I am watching the situation closely. Meanwhile, I note the news that 14 authorities have lifted the ban as a result of the High Court judgment."

He had written to the chairman of the Audit Commission drawing attention to the fact that the councillors of Camden, Ealing, and Hammersmith and Fulham had maintained their ban in defiance of what Lord Justice Watkins described as "impeccably sound advice" that they were acting unlawfully.

Mr Harry Greenwood (Ealing North, C) said that was outrageous and unacceptable for ratepayers of Ealing and other areas to have to pay the heavy legal costs of Labour councillors involved in this illegal ban against The Times and other News International publications.

"Should not those expenses be met by those councillors or from party funds, but not from ratepayers and taxpayers?"

WAPPING

Mr Luce said that it was because of the reasons Mr Greenwood had given that he had written to the chairman of the Audit Commission.

"It is open to any elector in a borough maintaining, or which has maintained, such a ban to make a formal objection to the district council on the conduct of the councillors involved."

Mr Eric Heffer (Liverpool, Walton, Lab): Whether it is legal or illegal it is not clear that many people who are councillors feel upset because Mr Greenwood would sack 6,000 workers without giving a damn about what happens to them?

Is it not clear also that Conservative MPs are hiding behind the law in order to carry out policies contrary to the interests of working people? Mr Luce: He seems to ignore that these particular authorities have been found to have contravened the 1964 Act in withdrawing newspapers to run a political or industrial point.

If he believes in following the law he should support the decision which has been taken. Sir Anthony Grant (South West Cambridge, C) said that the Act did seem a somewhat cumbersome way to deal with this censorship problem. A simpler solution, in view of Mr Neil Kinnock's desire to improve the image of his party, would be for him to write to these loyal councillors and tell them to behave themselves.

Mr Norman Buchan, an Opposition spokesman on the arts, said that in his new-found zest for the lack of censorship, can he say how frequently he had intervened with some of the Tory councils, particularly county councils, who had refused to carry out their full statutory duties in the provision of books in the libraries?

How many libraries in the home counties stock The Sun, or stock say, Tribune or Labour Weekly? Had the minister tried to ensure that they did?

At the minister's responsible for the arts, culture and what had The Sun contributed to human civilization? Mr Luce: I find it astonishing that he should not once say that this action by these authorities was unacceptable. Not once has he condemned the culture and this is what the country will note.

Cash scrutinies still going on

The scrutiny process of the efficiency of Whitehall departments begun by Lord Rayner continued to prove its worth, Mr Richard Luce, Minister for the Civil Service, said during Commons questions.

He said that savings already made as a result were £300 million a year and further annual savings of £100 million were expected to be made. The scrutinies had also led directly to improvements in service to the public.

He was responding to Mr Gerald Bowden (Dulwich, C), who then asked if the Rayner scrutinies could be extended to other aspects of the public sector.

Mr Luce said that efficiency scrutinies had not suddenly stopped. There would continue to be a relentless drive to ensure that the taxpayer got the best value for money and that the civil service was as professional as possible. The number of scrutinies would continue roughly at the rate of 30 a year.

Mr Simon Hughes (Southwark and Bermondsey, L) asked if the scrutinies would extend to consider whether it was value for money to send the head of the civil service to Australia to take part in court proceedings.

Mr Luce said that there was nothing useful that he could add on this point.

Mr Robert Key (Salisbury, C) said that in his constituency company directors sometimes under the scrutiny arrangements had to choose in manpower terms between a PhD and an

apprentice and that this was surely not sensible.

Mr Luce said that there were important training schemes run by central Government and by individual Government departments to cope with these problems.

Mr Edward Taylor (Southend-on-Sea, C) said that the Rayner scrutinies would extend to services to the public. In particular, they should take a look at the unreasonable waiting times in DHSS offices.

Mr Luce said that he had touched on an important point. The purpose of the scrutinies was not just to achieve better value for money but also to ensure that they worked towards a better service to the public.

There were examples of improved services as a result of the scrutinies such as reducing the time taken to deal with planning appeals from 21 weeks to 11 weeks.

Dr Oonagh McDonald, an Opposition spokesman on Treasury affairs, said that the Opposition agreed with the objectives of the Rayner scrutinies in improving the efficiency and wellbeing of the civil service.

But those objectives could not be achieved when the Government mistook its senior civil servant, Sir Robert Armstrong, by placing him in such an invidious position in the Australian courts and requiring him to be "economical with the truth". That was the responsibility of ministers. Mr Luce very much welcomed the Opposition's support for the policy of scrutinies.

Row over Militant candidate

By Philip Webster Chief Political Correspondent Labour leaders are fighting to stop a Militant supporter being elected to the key committee which is to be in charge from the new year of moves to expel Militants from the party.

Mr Neil Kinnock and his colleagues are angry at the decision of the Transport and General Workers' Union, with its 1.25 million votes, to nominate Mr Alan Quinn to serve on the new 11-member National Constitutional Committee.

It was set up at the party conference in October to take the business of throwing out Militant Tendency supporters in the constituency parties away from the spotlight of the national executive committee.

Voting for the new committee finishes at the end of next month. Mr Ron Todd, leader of the TGWU, has been left in no doubt by Labour leaders that the election of Mr Quinn would not be welcome. Few of the other big unions are likely to back him.

'Loony left' dispute Cunningham strikes back at Tories

By Nicholas Wood Political Reporter Mr John Cunningham, Labour's shadow Secretary of State for the Environment, has struck back yesterday in the bitter political dogfight over "loony left" councils by accusing the Conservatives of resorting to the "big lie technique" to smear his party.

He said that the real enemies of good local government were the "extremists" in the Government - Mr Norman Tebbit, Mr Nicholas Ridley and Mr Nigel Lawson - responsible for cutting Whitehall grants by £17.7 billion since 1979 and so almost trebling rate bills.

The Tory Party chairman had mounted a "massive and scurrilous diversionary exercise" to distract attention from these losses and ministers' "unprecedented assault" on local democracy.

But the shadow environment secretary's rebuttal was undermined by an outspoken intervention by Mr Simon Hughes, the Liberal local government spokesman, who claimed that the Tory was packing because its "halo was slipping" and its

"town hall tyrants" had been exposed.

"Jack Cunningham's counter-attack will cut no ice with those forced to live under the regime of such councils, nor will Neil Kinnock's attempt to pass them off as a handful of extremists. They are a widespread and deeply rooted symptom of the corruption brought about by the present electoral system."

Mr Cunningham's robust defence came after last week's onslaught in which the Secretary of State for the Environment likened Labour control of many town halls to "totalitarianism" ruled by fear.

Mr Tebbit claimed that the "loony left" regarded Mr Neil Kinnock as "just another ex-future Labour prime minister" and said they were poised to seize control of the parliamentary party after the election.

As first disclosed in The Times, a carefully orchestrated campaign by Conservative Central Office lay behind the attempt to portray Labour's antics in places such as Brent and Haringey as a forerunner of how the party would govern the country.

subject to a "ruthless guttiness" and there were cuts in services to children, the disabled, students and the mentally and physically handicapped.

However, Mr Cunningham did acknowledge that the Tory attacks were damaging his party's electoral prospects by echoing his leader's denunciation of the town hall "zealotry".

Pointing out that Labour now controls about 150 councils - more than any other party - he said: "Millions of people have placed the duty of providing and improving their community services in the hands of nearly 9,000 Labour councillors."

"In this process, political zealotry and glibness by a tiny handful are an absolute irrelevance. It has no place in Labour's plans for enhancing local democracy and giving local people a greater say in the running of their communities."

He cited the London boroughs of Merton and Enfield, Berkshire and Dudley and Salford (Tory-controlled until last May) as examples of Conservative arrogance and meanness.

Mr Cunningham: Onslaught on Tory 'meanness'.



Mr Cunningham: Onslaught on Tory 'meanness'.

Sale of BR proposed by Tories

By Martin Fletcher Political Reporter Conservatives on the Commons transport select committee are to press for an inquiry into the feasibility of privatizing British Rail.

They feel that the committee, chaired by the Labour MP Mr Gordon Bagier, has failed to challenge the status quo during its investigation into British Rail finances.

In particular, however, they were disappointed at the evidence given earlier this month by Mr John Moore, Secretary of State for Transport, who appeared to rule out the possibility of the privatization of anything in the foreseeable future but British Rail's more peripheral activities.

The privatizers on the committee envisage a system similar to the deregulated bus routes.

British Rail would become a leasing organization owning the track and infrastructure. Private companies would be invited to submit tenders to run the various services. Subsidies would be paid to the private sector to run the less lucrative routes.

24-hour drinks scheme for restaurants

By Sheila Gunn, Political Staff Restaurants will be able to serve drinks with meals at any time of the day or night if a Bill introduced in the House of Lords becomes law.

The Government is expected to back the measure, which is one step towards relaxing the licensing laws. But determined opposition from a small group of peers or MPs would be enough to defeat it.

Lord Montgomery of Alamein, honorary president of the Restaurateurs Association of Great Britain, introduced the Licensing (Restaurant Meals) Bill after the Government made clear that it is reluctant to bring in its own reform of licensing laws this session after the demise in the last session of the Shops Bill.

Lord Montgomery, who succeeded to the title of his father, the first Viscount Montgomery of Alamein, 10 years ago, said: "This is a modest reform which will do away with the law which restricts the sale of alcohol in restaurants to certain hours. At present we are out of step with the rest of Europe. This Bill will help tourism and, hopefully, create more jobs."

Lord Montgomery: Bill will not promote alcoholism

Recent debates in the Lords have shown there is general all-party support.

"This Bill in no way promotes alcoholism. It will allow bone fide restaurants to serve drinks with meals, which is a normal practice in other countries", Lord Montgomery added.

"At the moment there is an anomaly in the law. For instance, if you happen to arrive in this country at 3pm and go into a restaurant for a meal you cannot get a drink."

Row over Militant candidate

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Lord Montgomery: Bill will not promote alcoholism.

Tribunal warning to employers over bias against Aids victims

By Thomson Prentice, Science Correspondent

The Government gave warning to employers yesterday not to discriminate against sufferers or carriers of acquired immune deficiency syndrome (Aids).

Ministers are worried that the inevitable spread of the disease could soon lead to many victims being treated as outcasts at work.

More than 400,000 employers are being sent a booklet which cautions them that they could be called before industrial tribunals for dismissing workers who have been exposed to the disease.

Refusing to hire a job applicant because of Aids risks would also be "unreasonable", according to the government advice.

Mr Kenneth Clarke, the Paymaster General and Minister for Employment, has told the employers that "unnecessary fears" about Aids could lead to "quite needless discrimination in the workplace".

That in turn could result in Aids carriers concealing their infection in offices or factories and not getting medical advice, he said.

"Shunning Aids carriers could drive this disease underground and help it spread

more rapidly," Mr Clarke said yesterday. "We are very anxious not to have people made outcasts at their place of work."

The booklet, *Aids and Employment*, has been issued because of government concern that discrimination could become widespread in the months and years ahead.

At least 30,000 people are believed to be infected and a third or more are likely to develop the disease in the next few years.

Almost all of them are likely to be of working age. The booklet, which is also being sent to general practitioners, employers' associations and trade unions, calls for better understanding of the risks of Aids infection.

The facts must be understood before someone at a workplace is thought to be infected, "by which time the climate is likely to have become emotionally charged", the booklet says.

"If employees refuse to work normally with an infected individual an employer would need to respond, as he would to other forms of industrial action, and seek a resolution through normal procedures."

"Dismissing individuals

who are infected, or thought to be infected, simply because of pressure from other employees would in many cases expose the employer to a claim for unfair dismissal," the booklet gives warning.

"There is generally no obligation on individuals to disclose their infection or to submit to medical tests for the virus. Anything which can be interpreted as an inquisition into an employee's personal life-style should be avoided."

The booklet says that there is no risk of Aids unless there is direct contact with blood, semen or other body fluids of infected individuals.

The National Children's Home charity said yesterday that 18 boy prostitutes infected with the Aids virus were deliberately spreading the infection in London.

The youths, identified in a voluntary screening exercise, were seeking revenge because most had been sexually abused as children, the charity said.

A special unit is being set up to treat the boys, who were adopting "a kind of destructive bravado, but were also terrified of dying so young," Mr David Pithers, the charity's director of child care studies, said.



Mr Clive Leach (left), Mr Cyril Filat (centre) and Mr Frank Brazier at work on the bomber (Photograph: John Rogers).

Bomber R for Robert needs a nose

By Trudi McIntosh
The restoration of Wellington bomber N2980, R for Robert, recovered last year from Loch Ness, is well under way at Weybridge, Surrey, but for a nose.

The lower part of the aircraft's nose, which originally supported the forward gun turret, still lies buried in

two feet of mud at the bottom of the loch, where the aircraft ditched during a snow storm on New Year's Eve in 1940.

The Wellington project has only enough money for one more salvage attempt this month to recover the bomber's forward gun turret. A separate diving expedition is needed to raise the nose.

"Unless we find a benevolent millionaire or company sponsor to donate £5,000 by Christmas, the Wellington's nose will probably have to remain buried in the mud," Mr Robin Holmes, chairman of the Loch Ness Wellington Association, said.

Teams of volunteers at Brooklands Museum in Wey-

bridge, and companies throughout Britain are gradually restoring the airframe.

Mr Clive Leach, a former Royal Air Force pilot who flew Wellington bombers in the Middle East during the Second World War, estimates that it will take a decade to recreate the bomber.

Nuclear reactors shut down by fault

Trouble has again hit Hinkley point nuclear power station, where three out of four reactors were out of action yesterday.

A "temporary fault" closed down the two reactors of its B station after a long-planned inspection had closed one at Hinkley point A.

The Central Electricity Generating Board emphasized: "There is no question of a radiological hazard," and added that there was no damage to the plant at Bridgwater Bay, Somerset.

The board said yesterday that it hoped one reactor could be working again within hours and another today.

The extra cost of generating replacement electricity was thought to be about £300,000. The cause of the B station shutdown was a fault in the instruments in the turbine hall affecting pressure valves in the boiler feedwater system.

Incidents which have led to questions about the plant's safety in the House of Commons have plagued Hinkley Point since the Magnox A station was built 25 years ago.

In August the B station was shut down for the fifth time in two months when a reactor was tripped out automatically by a safety circuit.

Sister may hold clue to murder

By Angella Johnson

A woman police officer is waiting at the hospital bedside of a badly injured woman aged 80, to see if she can give detectives any clues as to who murdered her sister, aged 78.

Miss Ethel Stubbs was killed after being dragged from her bedroom and suffocated when a gang broke into her house in Albany Road, Walworth, south-east London.

Miss Dora Stubbs is in King's College Hospital, south-east London, with a broken nose, ribs, and injuries to her wrists. She is severely shocked but has already said that two white men were involved.

Two teenage girls may also be implicated. Police say they are members of a gang which has been preying on elderly people living alone in the area and may have been responsible for this attack.

The gang has carried out three aggravated burglaries on women aged 80, 85 and 90, all within a mile of each other recently. In all cases the women were gagged.

One victim aged 80, who is still in hospital, described one of her attackers as an attractive brunnette, aged about 18, who was wearing a black and white polka dot dress.

This latest incident occurred in the early hours of Saturday morning.

Attacker at riots sentenced

Kuomba Balogun, a Bristol community leader, was given a suspended prison sentence yesterday for assaulting two police officers.

In September, police carried out a raid in the St Paul's area of the city. Two nights of rioting followed and Balogun, chairman of St Paul's Community Association, was arrested after trying to stop the police filming the disturbances.

Balogun was found guilty in October of assaulting the two officers. Yesterday, Bristol magistrates sentenced him to three months' imprisonment, suspended for two years.

Jarrett son is remanded

The son of Mrs Cynthia Jarrett, whose death sparked off the riots in Tottenham, north London, appeared on remand at Bow Street Magistrates Court, London, yesterday.

Michael Jarrett, aged 22, a painter and decorator, of Thorpe Road, Tottenham, and Sarah Ariff, aged 22, a receptionist, of Elsdon Road, Tottenham, are accused of attempted theft at Leicester Square Underground station on November 8. They were both remanded on bail until December 8.

Militants accused of Stalinist tactics

By Peter Evans, Home Affairs Correspondent

The Militant leaders of Liverpool City Council were accused of "Stalinist tactics" against the city's black community in a report published yesterday.

The authors, the Liverpool Black Caucus, accuse Militant of character assassination, crushing of dissent and of concentrating enormous power in the hands of a few key figures, such as Mr Derek Hatton as "public figure-head".

They denounce "the control and manipulation by various gerrymandering devices of the party machine", whose meetings were increasingly described as Nuremberg rallies because of the intimidation and physical menace lying behind calls for "unanimity" in the "working class struggle".

The document is endorsed by the Roman Catholic Archbishop of Liverpool, the Most Rev Derek Worlock, and the Anglican Bishop of Liverpool, the Rt Rev David Sheppard in a joint foreword.

They say Black Caucus members render a great service by providing well documented account of relationships with Liverpool City Council and of events which have been hidden from the public.

The caucus criticizes the "fixed" appointment of Mr Sampson Bond, a London building surveyor and Militant supporter, as the principal race relations adviser, although he had no experience of that work.

The authors say: "We have seen how Militant and their supporters began their frontal attack on Liverpool's black community at the special District Labour Party by their concerted vilification of black community groups 'violent', 'unrepresentative', 'criminal', and 'self-interested'."

ness of Labour's local leadership to use the repertoire of racist language and emotion in this way as part of their political project has been one of the most shameful aspects of this issue.

"It is this continual use of all the classical features of Stalinist politics that stand out in analysing the approach adopted by Militant to the black community in Liverpool."

The authors say: "The current Militant-dominated Labour leadership of Liverpool City Council have demonstrated their total indifference with their policies of malign neglect."

In retrospect it seemed an extraordinary decision by Labour's ruling inner circle to take the risk of embarking on such a struggle with the black community in Liverpool, they say.

But this short-sighted political approach of being determined to crush all political opposition at whatever cost and by whatever means necessary, however damaging or disreputable, has been the hallmark of Militant's period of office.

"Ultimately this greed for control and total power to be exercised by the inner circle of the ruling party alone, or by their trusted and proved creatures, proved their undoing."

After referring to the Liverpool violence of 1981 and the signs of further disorders in 1985, the authors continue: "If after all this, Liverpool's political leaders still cannot find the commitment to restore genuine dialogue with the black community - then there can be no prospect for peace in this city."

The church leaders say: "As far as we know the account of these events is a fair one. It merits widespread attention and whole-hearted response." The report is published by the Runnymede Trust.

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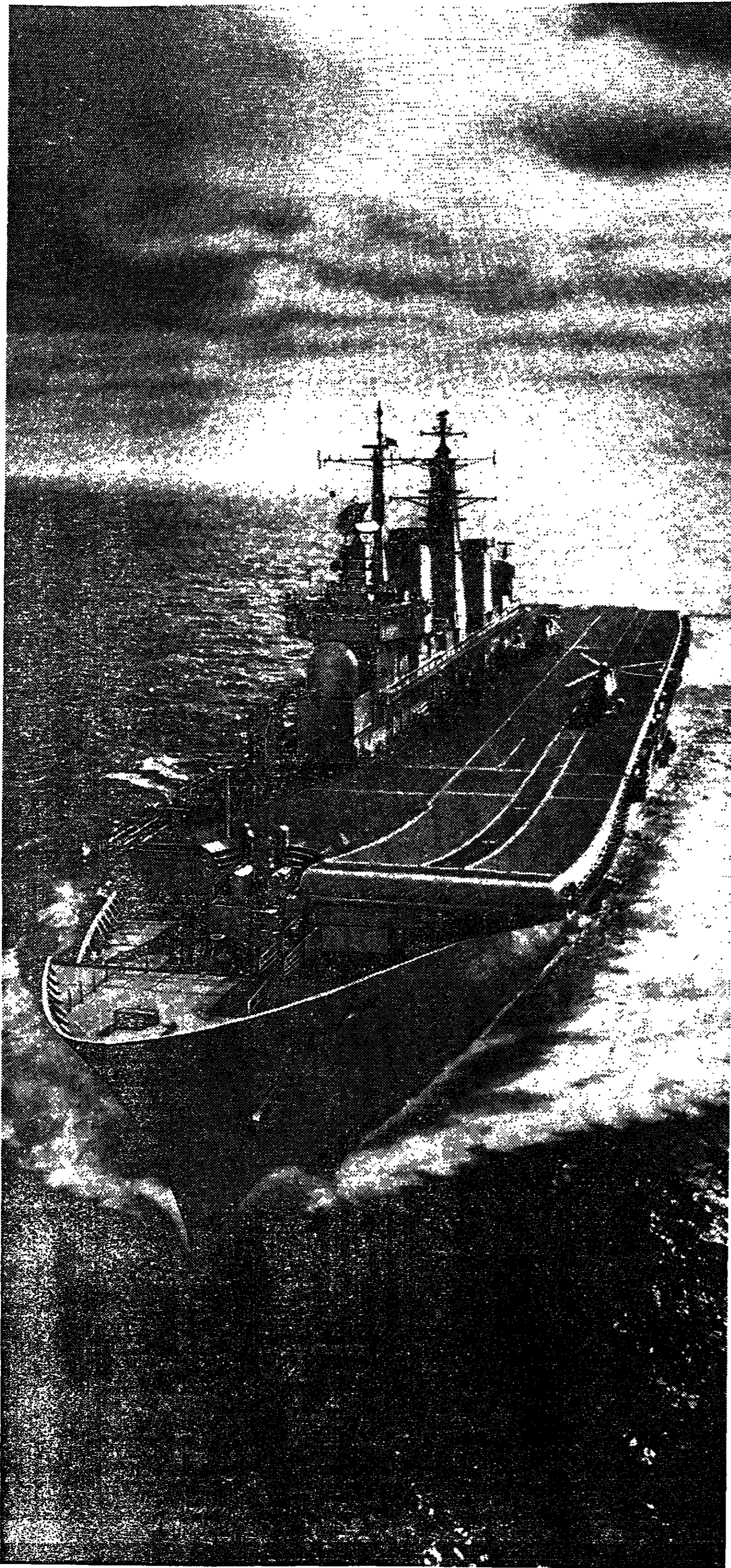
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Heroin-ring leader jailed for 28 years and fined £200,000

By Stewart Tessler, Crime Reporter

Paul Dye, head of a £200 million international heroin smuggling ring, was sentenced to a record 28-year prison sentence and £200,000 fine at the Central Criminal Court yesterday after conviction in one of the biggest customs investigations ever mounted.

He was found guilty with five members of his organization last Friday for their roles in a British drugs ring which smuggled between 40 and 50kg of heroin into the United States from Pakistan in grades swapped in the transit lounges of Heathrow airport.

Yesterday the five received sentences ranging from seven to 17 years.

Judge Rant, QC, told the men their offences were "evil and callous in the extreme". Heroin was a scourge causing misery, degradation, crime and sometimes death.

It took little thought to realize what havoc had been caused by the men in the dock who had acted for money, the judge said.

The courts would make heroin-peddling worth not even the large profits available.

Passing sentence on Dye, aged 42, a company director from Iwer, Buckinghamshire, the judge told him he was a "devious, greedy and utterly unscrupulous man".

The judge said that if he had had the power Dye, a small-time crook who made millions from heroin, would have been given a life sentence without hesitation.

Dye received the longest sentence ever given in a British court for a drug offence.

Convicted on three charges of conspiracy, he was given consecutive sentences, made up of two 14-year sentences and a further four years.

If he fails to pay the fines he will serve another two years as well.

Dye and the others were arrested a month before the Criminal Justice Act took effect allowing for a life sentence for a drug offence.

Dye was fined £150,000, the value of his home, and £51,000 found in his safe.

The rest of his assets are thought to be still hidden in Switzerland or the United States.

Clive Williamson, aged 29, an electrician from Northolt, west London, was given sen-

tences adding up to 17 years in prison. Williamson, one of Dye's lieutenants, had acted as a courier and minder.

The judge said he was a "significant cog in the machine".

Peter Davies, aged 30, a bread salesman from north London, was given 12 years; David Millard, aged 37, unemployed, from Peterborough, was given 10 years; Paul Murphy, aged 30, unemployed, from north London, was given eight years; and Graham Ellis, aged 31, a meter reader, of Twickenham, south-west London, received seven years.

The six were convicted for taking part in an organization which operated for more than two years.

Dye began smuggling drugs in 1980 and built up his organization through friends, neighbours and contacts.

When customs officers struck last year for the first time they captured an entire drug organization stretching from the supplier in Pakistan to the main American dealers.

Four of Dye's recruits convicted in the United States were brought across the Atlantic to give evidence against him.



Mr Douglas Hurd, the Home Secretary, being driven around Parliament Square, London, yesterday in a 1901 Mors led by a man with a red flag. It is 90 years since Parliament abolished the warning procedure. Mr Jeffrey Rose, chairman of the RAC, was at the wheel and Mr Neil Thorne, MP, (left) chairman of the Commons motor club, and Lord Strathcarroll, chairman of the Lords motor club, rode in the back (Photograph John Manning).

BCal in legal fight over link-up plan to beat US rivals

By Harvey Elliott, Air Correspondent

Plans by British airlines to compete with their giant American rivals by linking up with other carriers in Europe, could be ruled illegal after a bitter legal battle being fought at the Civil Aviation Authority.

British Airways yesterday tried to prove that a deal between British Caledonian and Sabena, the Belgian flag carrier, to operate a joint daily service to Atlanta, Georgia, was based on a "misconception".

It argued that the service, which involves a Sabena 747 flying with joint crews from Brussels to Gatwick and on to Atlanta, was not a British operation and therefore could not be licensed by the CAA.

BCal should be removed from the licence which should be awarded to British Airways instead, it argued.

The CAA's decision, which could come before the end of the year could have significant impact on future operations of a similar kind.

For BCal, together with a number of airlines, believes that only by linking with other European carriers can it become sufficiently powerful to mount a counter-attack on the few large American airlines now threatening to dominate the Atlantic routes.

Mr Timothy Walker, QC, for British Airways, argued that BCal was not using its licence to operate to Atlanta because the aircraft being used belonged to Sabena which was also legally responsible for all its passengers, including those picked up at Gatwick on BCal tickets.

His basic argument was accepted by the CAA panel, chaired by Mr Ray Colegate. "I have little difficulty in accepting British Airways' argument on the narrow point that BCal is not currently using its licence," Mr Colegate said. But he added that the panel would have to consider wider questions.

BCal is arguing strongly against the accusations and claims that British Airways is using "spoiling tactics fuelled by the arrogance of monopoly".

The hearing, which is scheduled to last for one more day but could be extended, is regarded as having great significance for future co-operative ventures in Europe and could even affect the way BA seeks links with other airlines on the Continent once it is privatized early next year.

Mr Air France yesterday announced a new service between Bristol and Paris, starting on January 5. It will operate five times a week, Monday to Friday.

Christmas shopping: 2

Children tempted by the £60 toy

The most coveted toys this Christmas seem to have one thing in common - a £59.99 price tag. Spend any less and you may risk resentful glares from disappointed young people.

The toy shops are still not sure what will be this year's equivalent of the BMX-bike, the home computer, the Cabbage Patch doll, and the Optimus Prime transformer, necessities of past Christmases probably now languishing in the attic or a corner cupboard.

Favourites so far this Christmas are talking bears of which no fewer than three - Teddy Ruxpin, Gabby Bear and Smarty Bear - are vying to catch the children's ear at £59.99 each.

Teddy Ruxpin is the veteran of the genre, Gabby Bear moves his mouth and eyes to give his conversation more expression, and Smarty Bear is computer-programmed with 16 different responses. Tickle him and he giggles.

There is a talking doll for little girls whose tastes do not run to teddy bears, mice or chatty. Her name is Baby Talk and her repertoire includes phrases such as "I love you" and "Feed me". Stick a bottle in her mouth and she makes sucking noises. She costs, of course, £59.99.

For children with less domestic preoccupations than baby-talking bears and dolls, there are radio-controlled cars. This year's most popular models are frame buggies with gears to cope with variable terrains and obstructions. On the road: £59.99.

People to whom such sums sound like Monopoly money will be pleased to know that the world's best-selling board game is still going strong this year, as is its veteran rival, Scrabble.

Trivial Pursuits, is now seeing its fifth Christmas, and among the newcomers the most fancied are a personality-

testing exercise called Scruples and a game named September, devised by the people who swept the board with Kensington a few years ago.

This year's essential stocking filler is Rubik Magic, successor to the infuriating Rubik Cube, 150 million of which have been sold round the world since 1977.

That second invention by Professor Erno Rubik, the Hungarian puzzlemaster, consists of eight flat panels of plastic connected by an ingenious series of hinges.

The object of the game is to rearrange the graphics on the panels into three interlocking rings. The panels are hinged for Matchbox Toys by nimble Chinese fingers in a factory in Canton, and will almost certainly unhinge Western minds.

Matchbox's estimates for Rubik Magic sales this year have leapt from five million to 10 million by Christmas. "Retailers have just gone crazy for it, and the workforce in Canton has been increased from 2,000 to 3,000 to keep pace," it said.

The rush to buy Christmas gifts and goodies is about to begin in earnest, though retailers say that the wet weather has caused a late start.

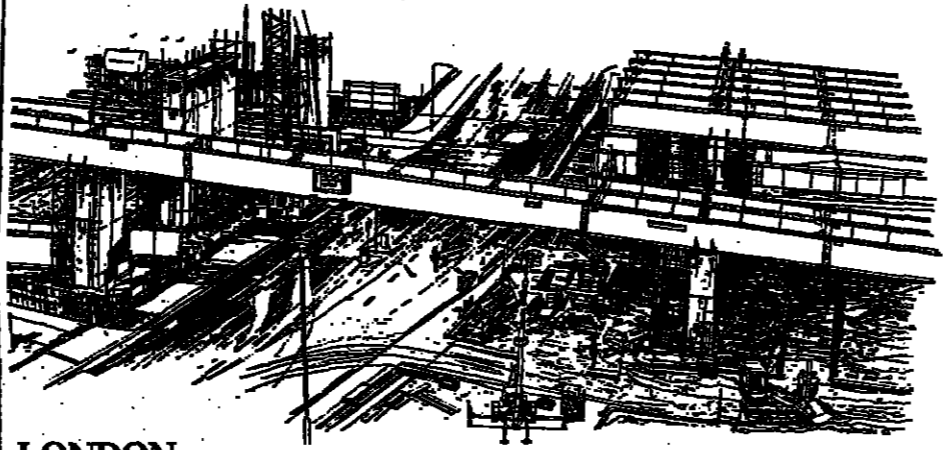
The 21 stores in the John Lewis Partnership reported that sales in the week which ended November 15 were 8.8 per cent up on the equivalent week last year.

The Financial Times-Confederation of British Industry survey of trends in the distributive trades suggests a 6 per cent increase in volume sales overall for the year. Christmas shoppers will have to get their skates on soon.

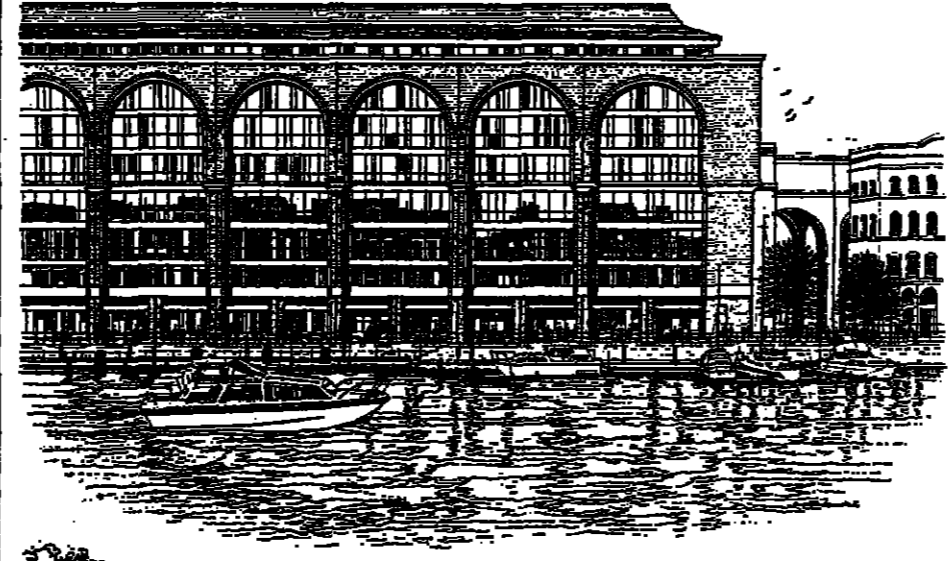
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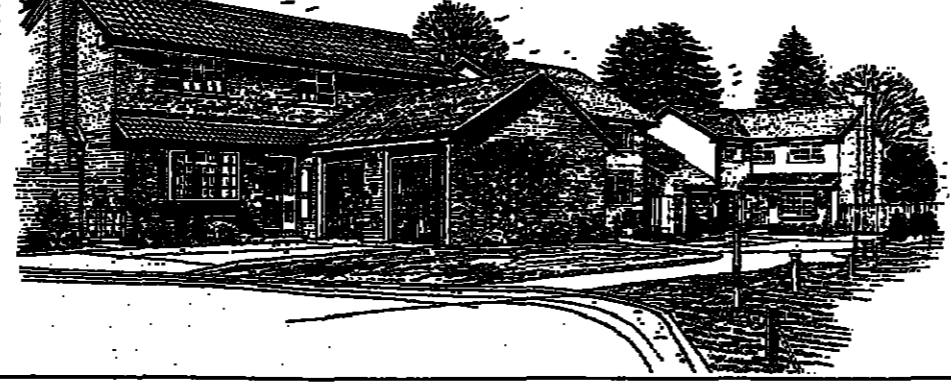
LONDON
The A406 South Woodford to Barking relief road (Contract No. 2) is being built by Taylor Woodrow Construction Limited for the Department of Transport.



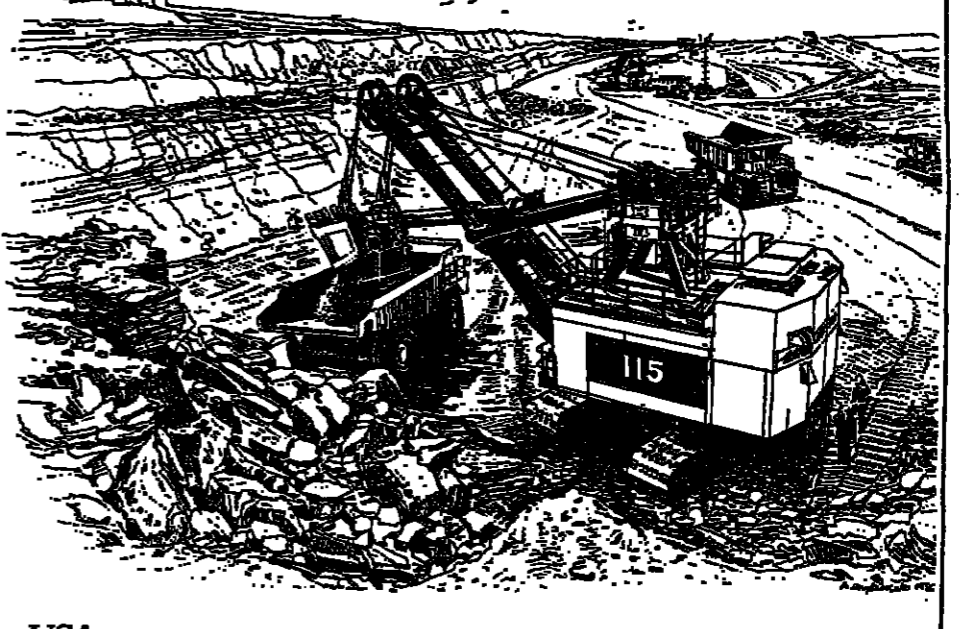
LONDON
Commodity Quay at St Katharine-By-The-Tower. When completed it will provide over 243,000 square feet of offices, trading floors, residential accommodation and underground car parking and will be the new headquarters for the London Commodity Exchange.



KENT
Redwood and Pinewood detached homes at Woodlands, Vinners Park, Maidstone - a Taylor Woodrow Homes Limited development.



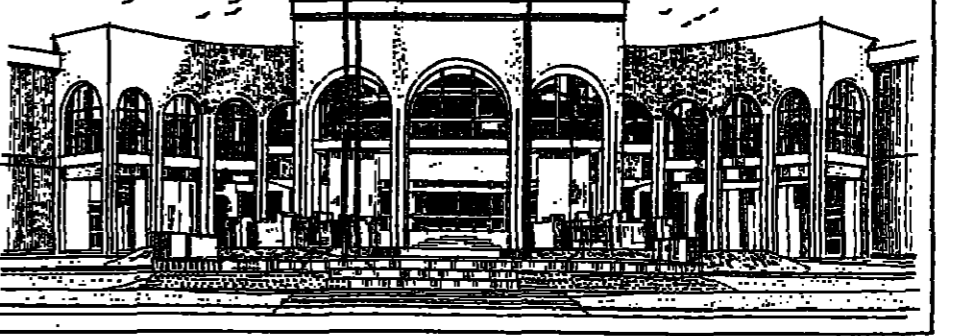
NORTHUMBERLAND
Butterwell opencast coal mine celebrated its 10th anniversary this year. Operated by Taylor Woodrow Construction Limited for British Coal the site produces in excess of 1 million tonnes annually and is one of the largest opencast sites in Western Europe.



USA
Model homes at Beacon Hill Vistas, part of the master planned community at Laguna Niguel, California by Taylor Woodrow Homes California Limited.



SAUDI ARABIA
School of Signals complex at Khashm al An, Riyadh. Civil and Building Works Contractor - Taylor Woodrow International Limited.



Print men freed after court plea

Two print workers who were jailed for six months for attacking a newspaper van after it left News International's plant in Wapping, east London, were freed by the Court of Appeal yesterday.

Although the judges agreed with the trial judge that what happened was "a disgraceful piece of street hooliganism", they reduced the sentences to 60 days to allow the men to be freed immediately.

David Payne, aged 43, a Southwark councillor, of St Matthew House, Philip Street, Wandsworth, south London, a Daily Telegraph printer for 23 years, and Robert Tetaur, aged 33, a former copy reader on The Times, of Dorking Crescent, Clacton-on-Sea, Essex were both convicted of causing actual bodily harm by Southwark Crown Court.

They had followed a van after it left Wapping and when it stopped on Tower Bridge, Tetaur opened the rear and started scattering papers. A fight broke out between the two print men and the van driver and his mate. Payne used a saucelpan to attack the van driver.

Payne had his application to appeal against conviction dismissed by Mr Justice Taylor, sitting with the Lord Chief Justice, Lord Lane, and Mr Justice Rose.

Anger at demolition of cottage

Demolition men moved in yesterday and started taking the roof off Rose Cottage, the home of two elderly brothers who were evicted last week.

Mr Gordon Howards, aged 75, and his brother, Billy, aged 66, lost their three-year fight to stay in the house, in Cope Street, Barnsley, West Yorkshire, and were forced to move out last Tuesday.

But friends and supporters believed demolition work would not take place after they held talks with Barnsley council.

The house and four acres of land are wanted for the building of 71 new homes, more than half for the elderly, and were compulsorily purchased.

On December 1 an appeal by the European Court of Human Rights was due to be heard.

Mrs Dorothy Shaw, a friend of the brothers, said: "You can't trust anything. Barnsley council has told us. I am just sickened at the speed of the demolition, it's totally unnecessary."

Mrs Rita Wood, another friend, said: "The council gave us an assurance that the work would not begin until all their property had been removed".

The council said the matter was now out of its hands.

Demolition is being handled by the Yorkshire Metropolitan Housing Association.

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Barclays Bank withdrawal raises fear of others to follow

Sale seen as first move by British firms in trek from South Africa

From Michael Hornsby, Johannesburg

The sale by Barclays Bank of its remaining 40.4 per cent share in Barclays National, South Africa's biggest commercial bank, is seen as probably only the first of a number of moves for British disinvestment.

Britain is by far the biggest foreign investor in South Africa, accounting, it is estimated, for about 45 per cent of all foreign investment. There are about 130 companies here in which British interests have holdings of more than 50 per cent, and about 45 with holdings of less than 50 per cent. The value of British investment in South Africa is put by British sources at some £6,000 million. Two years ago, it was estimated at £11,000 million, but the decline is mainly due to the depreciation of the rand. By contrast, American investment now stands at only \$1,300 million (£896.5 million).

Barclays is the first major British company to withdraw from South Africa and banking and Government sources expressed concern yesterday that its example could encourage other companies to follow suit.

If that were to happen, it would follow the pattern of American disinvestments which increased sharply after General Motors announced last month that it was selling its operation in South Africa to local interests.

The main concern is that further significant disinvestment by British companies, coming on top of the growing American corporate retreat, would increase the drain of foreign capital from South

Africa. Historically, foreign capital has provided about 20 per cent of net fixed investment.

Without foreign capital, economists consider South Africa has little chance of generating the real economic growth rate of between 3.5 and 4.5 per cent a year that is needed just to contain unemployment at its present level, estimated at more than 30 per cent among blacks.

"I think disinvestment slows down the rate of (political) change, and I think it affects the creation and retention of jobs in the country. There is less money available to do the things that need to be done. It is a matter for concern," Mr Basil Herscov, the chairman of Barclays National, said yesterday.

Barclays Bank has sold its remaining 40.4 per cent holding to a local consortium consisting of the Anglo-American Corporation, South Africa's biggest mining and industrial conglomerate, and two of its affiliated companies, De Beers Consolidated Mines Limited and The Southern Life Assurance Limited.

Anglo, De Beers and Southern Life now hold 55 per cent of the shares in Barclays

National. The bank's managing director, Mr Chris Ball, insisted yesterday that there was "no threat" to the jobs of its 25,000 employees, 5,238 of whom are black, mixed-race Coloured or Asian.

The most immediate change the bank will undergo is a change of name. It was agreed last year, when Barclays Bank allowed its holding in South Africa to fall from 50 per cent to 40.4 per cent by waiving its entitlement to a rights issue, that the name should be changed by 1990. This will now be done next year.

The political pressure that Barclays Bank was under to quit South Africa is reflected in the fact that it was prepared to accept a price of only 18 rand (£5.2) for each of the 29,276,070 shares it held in Barclays National, well below their current price on the Johannesburg Stock Exchange of 23.50 rand.

In addition, the sales proceeds of some 527 million rand—nominally worth about £165 million at the current commercial exchange rate—can only be taken out of the country at the special "financial rand" rate which is designed to discourage disinvestment. At present, the value of the financial rand is about half that of the commercial rand.

One effect of channelling capital flows through the financial rand pool is that they have no immediate impact on South Africa's balance of payments or foreign exchange reserves. The sales proceeds will remain in the pool until Barclays Bank can find buyers who wish to invest in South Africa.



The managing director of Barclays National, Mr Chris Ball, announcing the sale yesterday.

Lobbyists claim a victory

By Nicholas Beeston

Anti-apartheid groups and pro-sanctions church organizations yesterday claimed that the decision by Barclays to withdraw from South Africa amounted to a significant victory for the disinvestment lobby in Britain.

The president of the Anti-Apartheid Movement, Bishop Trevor Huddleston, claimed the Barclays decision was largely the result of 17 years of active lobbying against the company, the largest British investor in South Africa.

"It is an event of great significance and I think other companies are certain to follow," he predicted. He said efforts would now be directed against other multinational companies, especially BP and

Shell. He also warned Barclays that it would continue to be a target for anti-apartheid activists because of its loans to South Africa, which amounted to £766 million last year. "I would advise all public bodies to indicate very clearly that, although they are relieved by the Barclays decision, they are still not prepared to use their services until it has withdrawn completely."

Similar reaction is expected from other pro-sanctions bodies, such as Oxfam, the End Loans to South Africa campaign, the Catholic Fund for Overseas Development, Christian Aid and the British Council of Churches.

A spokesman for the British

Council of Churches claimed that the Barclays move was the "response to that lengthy campaign for disinvestment" and anticipated that the lobbyists would now focus on multinationals with investments in South Africa who were vulnerable to a consumer boycott.

In spite of the Barclays decision, a spokesman for the UK-South Africa Trade Association said that bilateral trade appeared to have increased in the last few months.

Its executive director, Mr Nicholas Mitchell, said: "I don't think that there will be any great movement towards disinvesting in Britain because of the Barclays decision, because it is slightly different from the others."

WORLD SUMMARY

Druze warning for Palestinians

Sidon - Palestinian guerrillas yesterday captured a strategic hilltop village from the Shia Muslim Amal militia after fierce fighting in which some 40 people were killed (Juan Carlos Guncio writes).

The assault launched from the Miyeh-Miyeh and Ein el Hilweh refugee camps gave the guerrillas control of Magloushe, just south of Sidon, from where Amal artillerymen had been bombarding the camps since Friday.

But as the guerrillas strengthened their position, Mr Walid Jumblatt, the Druze leader of the Progressive Socialist Party, sided with Amal and vowed to prevent the return of Palestinian forces to Lebanese soil.

"The road to the liberation of Palestine does not go through Magloushe," he declared angrily.

© Damascus - Mr Jumblatt's declaration came after he met Syrian officials, including Vice President Abdul-Halim Khaddam, Syria's main expert on Lebanon, in Damascus yesterday (AP reports).

England in chess lead

Dubai - By crushing Bulgaria 3-1, England has retained a clear lead after nine rounds of the World Chess Olympics here (Raymond Keene writes).

John Nunn drew with Kiril Georgiyev, Nigel Short beat Ventsislav Iakov; Murray Chandler drew with Peter Velikov and Jon Speelman beat Krum Georgiyev.

England now has a tournament total of 26½ points, ahead of the US on 24½ points plus one adjourned game; the Soviet Union has 24½ points, while Hungary has 23½ points plus one adjourned game. In the Hungary-US match the American top board Seirawan has adjourned with the advantage against Lajos Portisch.

Of the top teams, England now only has to meet Czechoslovakia. With at least a one point lead and only five rounds remaining to be played, England's chances of a first-ever team gold medal have substantially increased.

Long jail Briton to terms call

Bonn - A prosecutor in West Berlin yesterday demanded long sentences for two Jordanians accused of a bomb attack that they said was supported by Syria (John England writes).

The prosecutor, Herr Detlev Mehlis, called for 14 years for Ahmed Hasi, aged 35, the brother of Nezar Hindawi, the Heathrow El Al bomber, and 13 years for Faruk Selameh, aged 40. Both are charged with attempted murder in bombing the German-Arab Friendship Society's centre in West Berlin on March 29, injuring nine people.

US delays \$300m aid

San José - Four US allies in Central America are annoyed by the Reagan Administration's failure to deliver a \$300 million (£127 million) economic aid package, promised as a trade-off for their acquiescence to new American funds for the Nicaraguan rebels (Martha Honey writes).

After several months of confusion, State Department officials and congressional aides have confirmed that the extra money, pledged to Costa Rica, Honduras, Guatemala and El Salvador, is no longer available. The Administration had proposed, and Congress endorsed, the \$300 million aid package as a balance to the \$100 million in military and "humanitarian" aid to the Nicaraguan Contras.

Crewmen rescued Protest at shooting

Madrid - The British captain of a two-masted yacht, the Kometa, and his crew of three arrived safely but exhausted at the Spanish port of Alicante yesterday after an ordeal in large seas in which their vessel was damaged and eventually sank (Harry Debelius writes).

Captain John Hand, aged 39, and his crew, all from Chichester, were picked up by a Spanish tug boat off the Alicante coast after they sent out distress signals.

Oil slick exposes East bloc failure on river pollution



A large, potentially dangerous oil slick, oozing up the Oder river from Czechoslovakia into Poland, has exposed new flaws in the pollution control system of the Soviet bloc and irritated relations between Prague and Warsaw.

Special anti-pollution units have managed to rid the river, which flows some 80 miles through the Czechoslovak industrial heartland into Poland, of the most damaging waste, scooping up the old fuel oil and burning it in canisters on the banks of the Oder, known as the Odra in Poland.

But there is a nagging risk to water supplies. It would, officials admit, be disastrous if the heavily polluted waters entered the food production cycle.

Workers built barriers - compressed by supported by empty barrels - around a sugar plant and at several other points in the river which feeds into the Silesian industrial centres and runs into the Neisse (Nysa in Polish) forming the Polish-East German border and from there into the Baltic.

But the same kinds of questions that followed the Chernobyl nuclear accident earlier this year are being posed again, this time with considerably more candour. Why did the Czechs take so long to inform the Poles of the spillage? Why were so few precautions taken? Why cannot Comecon, the Soviet trading bloc, not agree on a system of compensation for cross-frontier pollution?

The Oder crisis has significant parallels with the recent ecological disaster in the Rhine, but with one important

been informed of anything, though the Czech press and Western radio stations were broadcasting the news.

The spillage had come from a cement works in Ostrava on November 8, but the Poles were not officially informed until almost a week later. The Poles calculate that the slick contains some 50 tonnes of fuel oil.

The Czech side of the border is heavily industrialized with a steelworks and mines, and the pollution is so intense that the Poles have problems developing their own industry.

The Czechs have promised to build water-purification plants, but pollution does not seem to be a top priority for the Czechs. Care of shared rivers within the Soviet bloc has been defined by a network of legislation, including a treaty with Prague in 1958, with Moscow in 1964 and with East Berlin the following year.

But though the matter has been taken up at Cabinet level, neither Czechs nor Poles can reach an agreement on how these treaties should be implemented. The Czechs refuse to take daily samples of water, saying that monthly ones are sufficient, and have not established automatic sampling stations because of the cost.

Poland wants Comecon to draw up rules which would supply expert of the Katowice province in Silesia received a cable from the Institute of Water Economics in Ostrava on the Czech side of the border.

It said that there had been a spillage but it was being brought under control; a routine message. But by noon the next day Polish waters were black and sticky. The Polish Consul in Ostrava has still not

draw up rules which would supply expert of the Katowice province in Silesia received a cable from the Institute of Water Economics in Ostrava on the Czech side of the border.

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Man Friday. Saturday, Sunday, Monday, Tuesday, Wednesday, Thursday.

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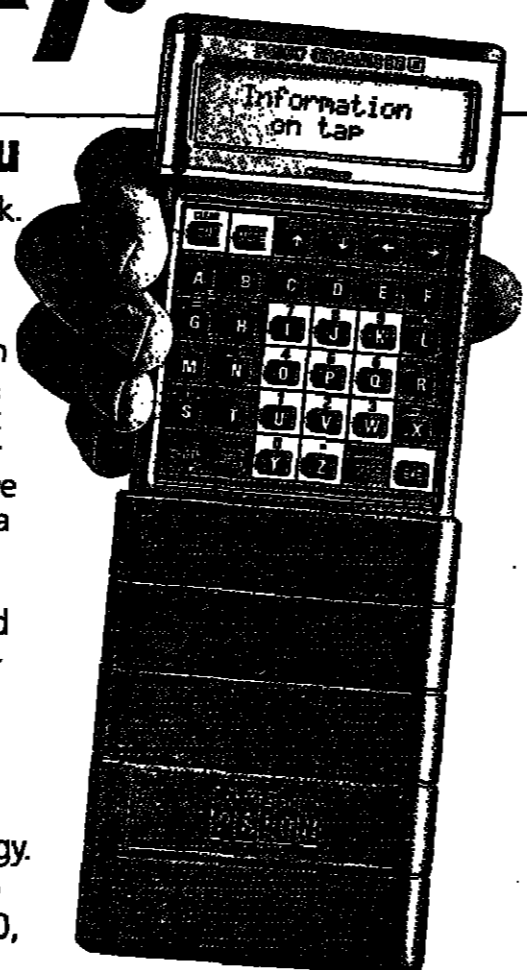
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COMMENTARY



Geoffrey Smith

The other day I went to see Governor Michael Dukakis of Massachusetts, one of the most successful Democratic governors. He is considering running for President in 1988 and told me he will make a definite decision by about the end of next February.

At this stage he cannot be regarded as more than a long shot. He is interesting, however, not only for what he might become but also for what he represents in the Democratic Party today.

He was elected earlier this month by a massive majority to his third term as Governor. After his first term, from 1974 to 1978, he was defeated in the primary by a fellow-Democrat - possibly for being too liberal and also certainly for being too nonchalant - before recovering the office in 1982.

But the Dukakis of his second term is apparently a different politician from the earlier Governor. The reflex liberal has evidently given way to the pragmatist, to the man whose deeds are more arresting than his words. It is a progression that reflects the movement of opinion within the party.

The more the Reagan Administration becomes embroiled in the Iranian arms deal the better chance the Democrats ought to stand of recovering the White House in 1988. But they are a party in transition. They had in Walter Mondale a candidate in 1984 who represented the old politics of a coalition of interest groups

Party struggling to be born

and liberal causes, of labour unions and big government. It looked like the last fling of the Democratic Party of Roosevelt, Truman, Kennedy and Johnson.

But there was at the same time another Democratic Party struggling to be born, represented by Gary Hart. This is a party whose core group consists of young professional people, impatient for the future rather than celebrating the past, eager for opportunity and impatient with traditional ties.

Mr Hart failed this party because he was not adequately prepared, and therefore failed to articulate their aspirations sufficiently precisely, but also partly because he was before his time. The constituency to which he appealed is important, but it was not then and probably is not now enough by itself.

To be successful the Democrats need to retain the loyalty and enthusiasm of their traditional support while reaching out to those voters who pride themselves on not being traditional.

The claim made for Governor Dukakis is that he straddles these two wings of the party. Listening to him saying that he stood, above all, for economic opportunity for every American citizen, I was not impressed. It was too vague, too generalised. He said little to distinguish him from any other potential presidential candidate in either party.

One notable exception

The one notable exception was on trade protection, which he claimed that he would resist more strongly than the present Administration, while concentrating on policies to develop the competitive efficiency of American industry.

As the Reagan Administration has rather a good record in this field and as there is strong protectionist tide flowing in the Democratic Party, this was a significant commitment.

But if he does decide to run for President he will need to develop more themes in greater depth. Otherwise he will be in danger of being written off as one of nature's vice-presidents.

But Governor Dukakis has a number of advantages as well. Prosperity in Massachusetts has increased dramatically under his governorship.

A Democrat who speaks, even if imprecisely, of opportunity in the language of the young professionals and can at the same time claim to enjoy good relations with the unions should have attractions for both wings of the party.

He looks younger than his 53 years, is personable and energetic. He should come over well on television once he has worked out more clearly exactly what he wants to say.

If there is to be a surprise in the first Democratic primary of 1988 in New Hampshire, the Governor of the neighbouring state of Massachusetts should be in a better position than most to spring it, and what a springboard that could be.

Reagan aide denies changes at top

From Michael Binyon Washington

Despite the mounting pressure on President Reagan from his friends, especially his wife, to sack several of his top aides over the Iran affair, Mr Donald Regan, the White House Chief of Staff, insisted yesterday that he would not resign, and said he did not think there would be any changes in President Reagan's top staff this week.

Mr Regan said on television: "I'm not considering resigning. I serve at the pleasure of the President. When it's time for me to go, we'll talk about it. But I don't think this is the time."

Criticism continued to mount yesterday of Mr Regan and also of Mr George Shultz, the Secretary of State, whose aloofness is being described as failure to support the President at a time of crisis.

White House officials insist that Mr Shultz knew more about the arms shipments than he acknowledged, but decided not to fight against the President's decision and allowed senior State Department officials to remain in the dark.

In an unusually sharp attack on Mr Shultz, Senator Robert Dole, the outgoing Senate Republican majority leader, said he was having difficulty supporting Mr Reagan's decision because "it's fairly difficult when the Secretary of State is not doing anything".

An aide suggested that President Reagan might be losing



President Reagan and Mrs Nancy Reagan arriving at the White House after spending the weekend at Camp David.

patience with Mr Shultz over his attitude. Mrs Nancy Reagan is reliably said to be furious with the way her husband's top officials have failed to protect him.

Long influential in the selection of senior White House staff, she is said to be pressing for the dismissals of Mr Shultz, Mr Regan, and Admiral John Poindexter, the National Security Adviser.

Mrs Reagan's press secretary said she was "troubled" and "hurt". A family friend

said: "They feel betrayed and stunned. This was supposed to be the tight team of loyalists, and instead of taking the bullet for the President, they left him out dangling."

Senator Dole, echoing the calls for White House dismissals, said: "Right now they ought to circle the wagons - either that, or let a couple of the wagons go over the cliff."

Congress has particularly criticized statements by Mr Regan in which he compared his job to that of a "shovel

brigade" cleaning up after a parade.

Congressmen and the press have accused him of failing to understand the seriousness of the situation, and treating the policy as a public relations exercise. Mr Regan also said: "Who was it that took this disinformation thing and managed to turn it? Who was it took on this loss in the Senate and pointed out a few facts and managed to pull that? I don't say we'll be able to do it four times in a row.

But here we go again, and we're trying."

The Democrats, sensing the public anger over Iran, drew up a fiercely worded resolution at the weekend, accusing the Administration of duplicity, cover-up and "dangerous double-speak". The party's national committee said: "Our position in the world has been weakened, our credibility on the issue of terrorism is now virtually non-existent, and other American lives have been put at risk."

Israelis to keep any deals with Iran secret

From Ian Murray Jerusalem

Only a special sub-committee will be given in secret any details there may be of Israeli arms dealings with Iran, Mr Shimon Peres, the Foreign Minister, told the Knesset's foreign affairs and defence committee yesterday.

Summoned before the committee to explain what the Government was doing in relation to any deals, Mr Peres refused to give any evidence. But he did give a strong pointer to the fact that deliveries had been made. If there were any deals, he said, they were so small that they could have had no possible effect on the Gulf War.

In refusing to give any details to the committee, Mr Peres was following the secret line already laid down by Mr Yitzhak Shamir, the Prime Minister, who has stuck resolutely to the traditional Israeli government position that it never discusses arms deals.

If deliveries have been made to Iran, it is probably only known within the Cabinet to Mr Shamir, Mr Peres and Mr Yitzhak Rabin, the Defence Minister.

Meanwhile, there is growing concern here that grassroots opposition in the United States to the Iranian arms deal will rebound against Israel's interest.

French to send 'ring of light' into space

Paris (Reuter) - European space authorities are planning to put a ring of light, visible throughout the world, into orbit in 1989 to mark the centenary of the Eiffel Tower. The half-tonne package will be launched from an Ariane rocket. It will inflate in space to form a string of 100 reflectors linked by narrow plastic tubes and will have a circumference of 15 miles.

Spain boom

Madrid (Reuter) - Foreign tourists spent £6.4 billion in Spain during the first nine months of this year, an increase of almost 50 per cent over the same period of 1985.

Priests held

Maputo (AFP) - Rebels of the Mozambique National Resistance have kidnapped three Portuguese Jesuit missionaries and 18 children.

Demirel clear

Ankara (Reuter) - Mr Suleyman Demirel, the former Turkish Prime Minister, was acquitted of defying a ban on involvement in party politics.

Sikh shooting

Chandigarh (Reuter) - Suspected Sikh extremists shot dead the son of a Punjab police chief on a university campus in Amritsar.

Brussels braced for tariff war with US

From Andrew McEwen Diplomatic Correspondent Brussels

Pessimism clung like Brussels fog yesterday to the man changed with keeping Europe out of a tariff war with the United States. A sombre Mr Willy de Clercq, the EEC Trade Commissioner, briefed the foreign ministers of the Twelve on what he called "painful and difficult negotiations" with the Reagan Administration.

Washington will block EEC exports worth \$500 million (£352 million) next year if the talks fail.

"Success" would consist of a formula to buy off American complaints that its farmers lost exports to Spain and Portugal as a result of protectionist EEC farm policy.

The US has demanded compensation for \$500 million worth of sorghum and corn which it exported annually to the two countries before they joined the EEC.

"It is a very difficult situation and we cannot exclude the possibility that the talks

will end in failure," Mr de Clercq said. Washington had made it quite clear that the December 31 deadline was firm, he added.

While still hoping for success, all member states had agreed on a contingency plan for failure.

The EEC would match any American sanctions with counter-action.

Mr de Clercq said that Britain had indicated its support for such measures.

The foreign ministers, under the presidency of Sir Geoffrey Howe, the Foreign Secretary, gave Mr de Clercq full backing to keep talking.

A top US delegation, including probably Mr George Shultz, the Secretary of State, and three other Cabinet members, is due to visit the Commission on December 12.

If agreement looks possible, the formula is likely to be approved at the last foreign ministers' meeting under US presidency on December 15.

The US has based its claim on the fact that the tariffs that Spain and Portugal applied to American agricultural exports were fixed under the rules of the General Agreement on Tariffs and Trade (Gat).

The tariffs increased automatically to the higher EEC levels when the two countries joined the European Community. Washington contends it is entitled to compensation under the Gat rules.

American officials in Brussels said yesterday the Commission had indicated it would not pay direct compensation, but would indirectly achieve the same result by adjusting tariffs on a range of US industrial and farm exports.

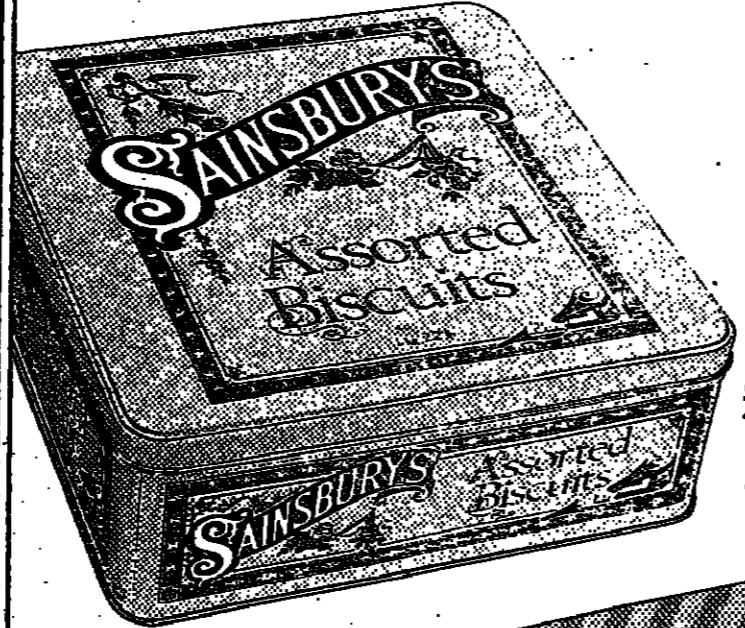
The principle of indirect compensation had been admitted, and the question was how it should be achieved.

Sainsbury's present Scrooge-like prices on biscuits and chocolate. (Not humbug)



£8.75 £8.55 Quality Street 5lb Tin (including wraps)

Sainsbury's Continental Snack Assortment 150g	39p
Sainsbury's Beanies 170g	59p
Rowntree's After Eight Mints 206g	95p
Sainsbury's Milk Chocolate Balls 160g	99p
Ferrero Rocher 200g	£1.49
Sainsbury's Family Selection 454g	£1.85 £1.75
Sainsbury's Plain Chocolate Apricot Creams 227g	£1.95
Petits Fours by Sainsbury's 240g	£2.09 £1.89
Sainsbury's Biscuits for Cheese 1kg tin	£2.55
Rowntree's Black Magic 454g	£2.59 £2.49
Cadbury's Milk Tray 454g	£2.49
Huntley and Palmer Luxury Selection Biscuits 1kg tin	£3.95



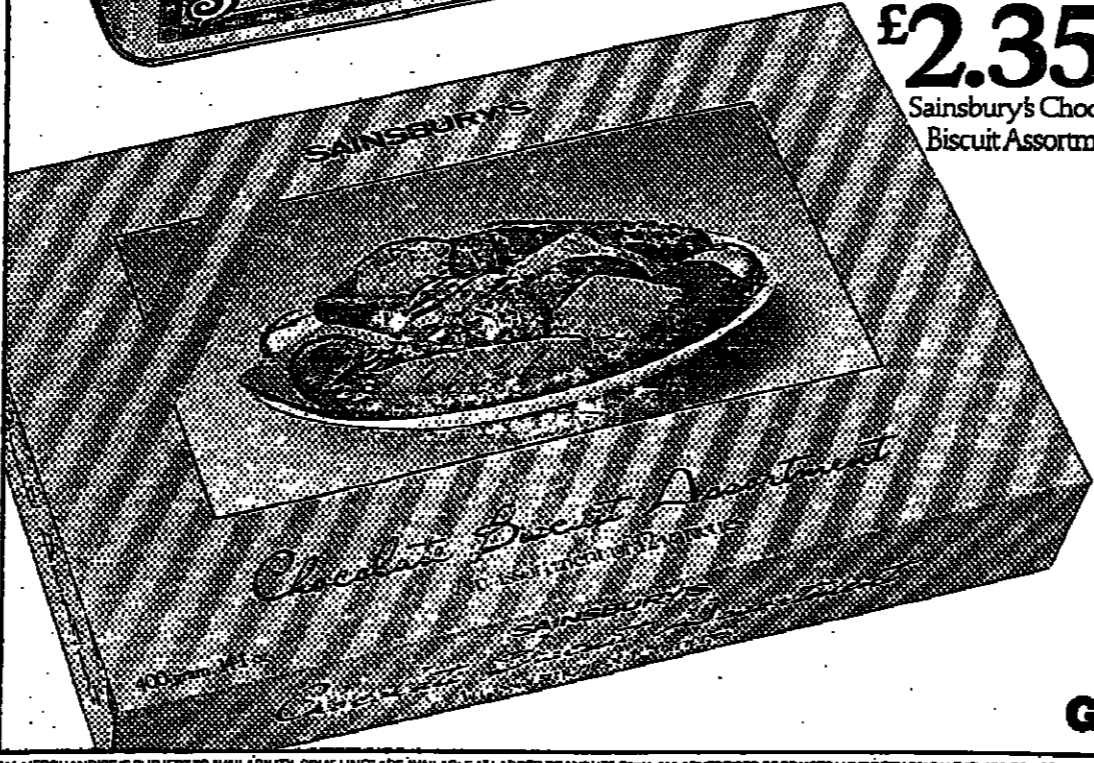
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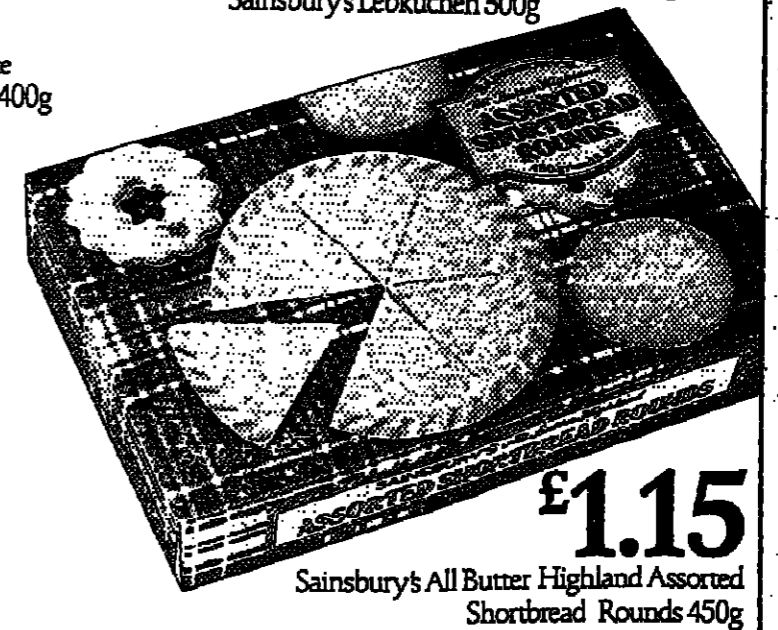
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Ex-minister plays waiting game after Philippine 'coup' attempt

Spokesmen for Aquino and Enrile trying to keep lid on latest crisis

From David Watts, Manila

Filipinos were treated to the spectacle yesterday of the presidential spokesman describing in some detail a plot cooked up by men with links to the former Defence Minister, Mr Juan Ponce Enrile, to take over the Batasang Pambansa, or Parliament, and declare an acting President of the Philippines, while the new Defence Minister, Mr Rafael Ilo, declared that there was no evidence of a plot.

Both were partly right and both were trying to put the lid on yet another Philippines crisis to prevent it boiling over.

The official spokesman, Mr Teddy Benigno, was trying to depict President Aquino, fully in control of events, parting company with her Defence Minister on the warmest terms. Mr Ilo, the new Defence Minister, was mindful of the fact that the Government cannot start investigating dozens of reformist officers behind Mr Enrile without provoking severe problems in the military. Nor could Mr Enrile be prosecuted for trying to overthrow the Government, said Mr Ilo, because he was no longer in the military.

The weekend's bizarre events had their roots in a series of demands put to the President by Mr Enrile via General Fidel Ramos, the armed forces chief, who had the support of many officers in the reform movement which helped bring Mrs Aquino to power last spring.

The demands included the removal of several Cabinet ministers the military consid-

ers to be communist, incompetent or corrupt, a tougher stance on insurgency, removal of some regional officials, abandonment of the new constitution and its replacement with a document to be drawn up and approved by the Batasan, recalled with the same personalities as under former President Marcos and with its former Speaker, Mr Nicanor Yñiguez, as acting President.

These demands were debated back and forth over the telephone during Mrs Aquino's visit to Tokyo but the murder of Mr Rolando Olalia, leader of the left-wing People's Party, and the kidnapping of a Japanese executive, Mr Nobuyuki Wakaoki, caused the letter to be at least temporarily pigeonholed by the President.

Faced with these demands from the reform officers and combined with a Defence Minister enjoying strong support in the regions, the President had the backing of her Cabinet and the public in Manila in seeking the removal of Mr Enrile.

By Saturday it appears a deal had been struck with General Ramos, no longer purely playing the role of middleman, and other military figures around him, press-

ing Mrs Aquino to make changes.

No one is saying in public what the agreement is, but Mr Enrile appears to be playing a waiting game to see if Mrs Aquino will satisfy the demands the reformists and many of the middle class are now making of her. If she does not prove capable of grasping the nettle, Mr Enrile is well placed for a future return.

The change from a purely revolutionary Cabinet was bound to come sooner or later, but Mrs Aquino seems to have been incapable of seeing the need until it was pressed on her in the strongest terms by the military. It is understood that the reformers want the removal of five members of the present Cabinet who are a mixed bag in terms of competence, their single unifying quality being their opposition to the former President.

The removal of Mr Enrile is being depicted not only as the surmounting of a crucial test for Mrs Aquino but by her spokesman as an end to what he called the "hijacking" of the country by a small group of military officers. Mr Enrile's removal is like that of a bone from Mrs Aquino's throat, said Mr Benigno.

But the political economy of the Philippines is considerably more complex than that, and Mrs Aquino's most demanding test is yet to come: whether she is capable of removing personal associates from the Cabinet, not only in the cause of peace in the short term, but better government in the longer term.



Mr Nicanor Yñiguez, former Speaker of the Philippines National Assembly, answering questions yesterday.

Bomb in bus kills two

Manila (AFP) - Two people were killed and 13 were wounded when a bomb exploded in a bus in the southern Philippines on Saturday.

The driver and a passenger were killed when the bomb exploded as the bus was about to leave the bus terminal in Taguig town, Davao del Norte province, 546 miles south of Manila.

Investigations were being conducted to determine whether the bomb was the work of communist insurgents.

Armstrong will tell closed court about KGB defector

From Stephen Taylor, Sydney

The M15 book case is expected to go into closed session today after Sir Robert Armstrong, the Cabinet Secretary, declined yesterday to answer questions in open court on information provided by a top Soviet defector on Sir Roger Hollis, former head of M15.

At the same time, counsel for the British Government foreshadowed that they would cite grounds of "public interest immunity" in continuing to resist producing background documents on Mrs Thatcher's 1981 Commons statement in which she cleared Sir Roger of being a Soviet mole.

Allegations against Sir Roger made by Mr Peter Wright, whose book is the subject of the present injunction hearing in the New South Wales Supreme Court, were raised late on the sixth day spent by the Cabinet Secretary under cross-examination.

Mr Malcolm Turnbull, counsel for Mr Wright, had referred to the defection in 1985 of Mr Oleg Gordievsky, then the KGB station head in London, who Sir Robert agreed was a man of "power and influence" in the Soviet intelligence service.

Mr Turnbull asked: "Given the uncertainty surrounding Sir Roger Hollis, given your concern about him, why has your Government not released the information Gordievsky gave you about Hollis?"

Sir Robert replied: "I am not prepared to answer any more questions about this in open court."

Mr Justice Powell and counsel for both sides then agreed that the court would go into closed session today and possibly tomorrow, in which time Mr Turnbull is expected to wind up his grueling cross-examination of Sir Robert.

Earlier, Mr Turnbull suggested that the "treachery or otherwise of Sir Roger Hollis is likely to be one of those great historical conundrums which are forever debated and forever unresolved."

Sir Robert replied: "As the Prime Minister said (in the Commons statement), it is impossible to prove innocence. It is possible further information will come to light which would prove guilt. It has not. If there was more information (the investigation) would have to be reopened."

Was it not time, Mr Turnbull asked, for the Hollis issue to be put on the shelf of history, like another one-time sensitive subject - the Bletchley codebreaking operation of World War II - and "to let the participants speak their minds, in their own names?"

Sir Robert: "They are under a duty of confidentiality not to."

At the start of the day's hearing Mr Turnbull returned to the subject of Mr Chapman Pincher, whose book, *The Trade is Treachery*, was written with Mr Wright's assistance, and which the defence maintains was secretly authorized by the Government.

Mr Turnbull said among the documents he would be calling for under an authorizing court order was the M15 file on Mr Pincher, who the defence claims was used by official sources to release sensitive information.

An earlier book by Mr Pincher titled *Inside Story* was produced by Mr Turnbull, who said it listed eight instances in which Mr Pincher had cooperated with intelligence or official sources, either as an agent of M15 or by acting as a conduit for putting information into the public domain through his newspaper reports.

Mr Turnbull asked Sir Robert if he knew anything about a meeting late in 1980 between Mrs Thatcher and Lord Rothschild, a senior Tory Party adviser said by the defence to have been involved in the publication of *The Trade is Treachery*. Mr Turnbull claimed the meeting took place at Lord Rothschild's St James's Square flat and concerned intelligence matters.

Sir Robert said he had no knowledge of such a meeting.

Of the investigations announced by Sir Michael Havers, the Attorney-General, into disclosures made by a number of former M15 officers in breach of their duty of confidentiality, Mr Turnbull put it to Sir Robert that it was "a great hypocrisy" to take action now when nothing had been done in the past four years.

Sir Robert replied that he did not know the circumstances of individual cases.

Mr Theo Simos, QC, for the Government, produced a list of the documents which the defence may claim access to under an order granted by Mr Justice Powell two weeks ago, and which was the subject of an unsuccessful application to the Appeal Court last week.



Mr Malcolm Turnbull: he is "appalled" by objection.

Contradictions of Saudi Arabia

Nation of stonings and space travel

By Alan Hamilton

Last week's visit by the Prince and Princess of Wales to Saudi Arabia highlighted the contradictions of this secretive giant, torn between the tenets of Islam and the lure of the 21st century, a country which can produce the first Arab spaceman and put adherents to the medieval death of stoning.

The paradox is both social and political; the first illustrated by the treatment of the Princess in being excluded from all official banquets, and the second by the strange affair of the missing Crown Prince Abdullah, who was to have been the royal couple's official host.

Women remain severely repressed by Western standards. They are not allowed to drive, and may not even get into a car with a strange man unless chaperoned.

Although they can freely take up higher education and follow professional careers, they cannot attend a university lecture given by a man and are obliged to watch it on closed-circuit television.

Many women still leave their houses veiled entirely in



Prince Abdullah: known as a traditionalist.

black, making crossing the road hazardous as they peer through the material. Others go with their heads uncovered, but any suggestion of a bare arm or leg is likely to earn them a severe reprimand from the religious police.

Western residents of Riyadh say that, although executions are now rare, there are occasional reports - never published in the newspapers - of stonings for adultery, the victim being whichever party to the liaison was the married one. The fornicator is buried in the earth up to the waist. The first volley is with pea-sized pebbles, gradually increasing to deadly rocks.

The guilty party is permitted to try to escape by wriggling free from the pit, and if successful - it is said that very few are - is pardoned, for it is then regarded as the will of Allah that they should go free.

Kissing between men and women in public, however chastely, is still regarded as highly offensive. Yet it is perfectly common and acceptable for men to kiss each other, with an intensity that is highly embarrassing to any heterosexual Westerner.

The position of Saudi Arabian women appears not to have progressed in the last 10

years, and may even have become more restricted, an indication of the powerful influence of the religious leaders of the Wahabis, the Sunni Muslim religious sect which dominates the country.

King Fahd is clearly astute enough to pay close heed to the religious lobby and its desire that the country should not be cast adrift from its traditional religious anchor.

To pacify and reassure the *ulama*, the religious scholars who are guardians of the old Islamic ways, the King spends several hours each week in discussion with them, and has channelled large sums of oil wealth towards religious projects.

They include new Islamic universities, a spectacular terminal for pilgrims arriving at Jiddah airport, and a new road, known as Christian Bypass, around the city of Mecca to keep the infidels away from one of Islam's holiest shrines.

King Fahd's formal title is Custodian of the Two Holy Mosques (Mecca and Medina); he does not call himself "His Majesty", that prefix being so potent that it can refer only to God.

Official documents also take care to state that the cornerstone of foreign policy is the eventual recovery of the third holy shrine of Jerusalem.

Contrasting cultural backgrounds are evident even within the inner circle of the royal family of al-Saud, who rule the country as an absolute but relatively benevolent monarchy, King Fahd being his own Prime Minister. Crown Prince Abdullah, first in line to the throne, is a traditionalist who spends most of his time in the company of his Beduin cronies.

His absence last week, supposedly at a Swiss clinic until he was unmasked in a luxury Las Palmas hotel, may have been a subtle diplomatic message to Syria that Saudi Arabia was not favouring over British royalty. Abdullah has a Syrian wife and is King Fahd's principal messenger in Damascus.

But he is said to be one of the less sophisticated and less able of the senior members of the royal family, and also suffers from a stammer. Prince Sultan, the Defence Minister and second in line, is by contrast American-educated and an excellent speaker of colloquial English.

Saudi Arabia has to achieve a delicate balance of maintaining the unity of the Arab world, while keeping good relations with its oil customers and its suppliers of high technology in the West. One experienced Western Arabist based in Riyadh said last week: "They may be the Syrians' paymasters, but they like to keep them at arms' length."

The same Arabist continued: "It would be wrong to assume that there is any kind of open feud in the royal family between the traditionalists and the progressives. They are very good at sticking together. This is one of the most stable regimes in the region."

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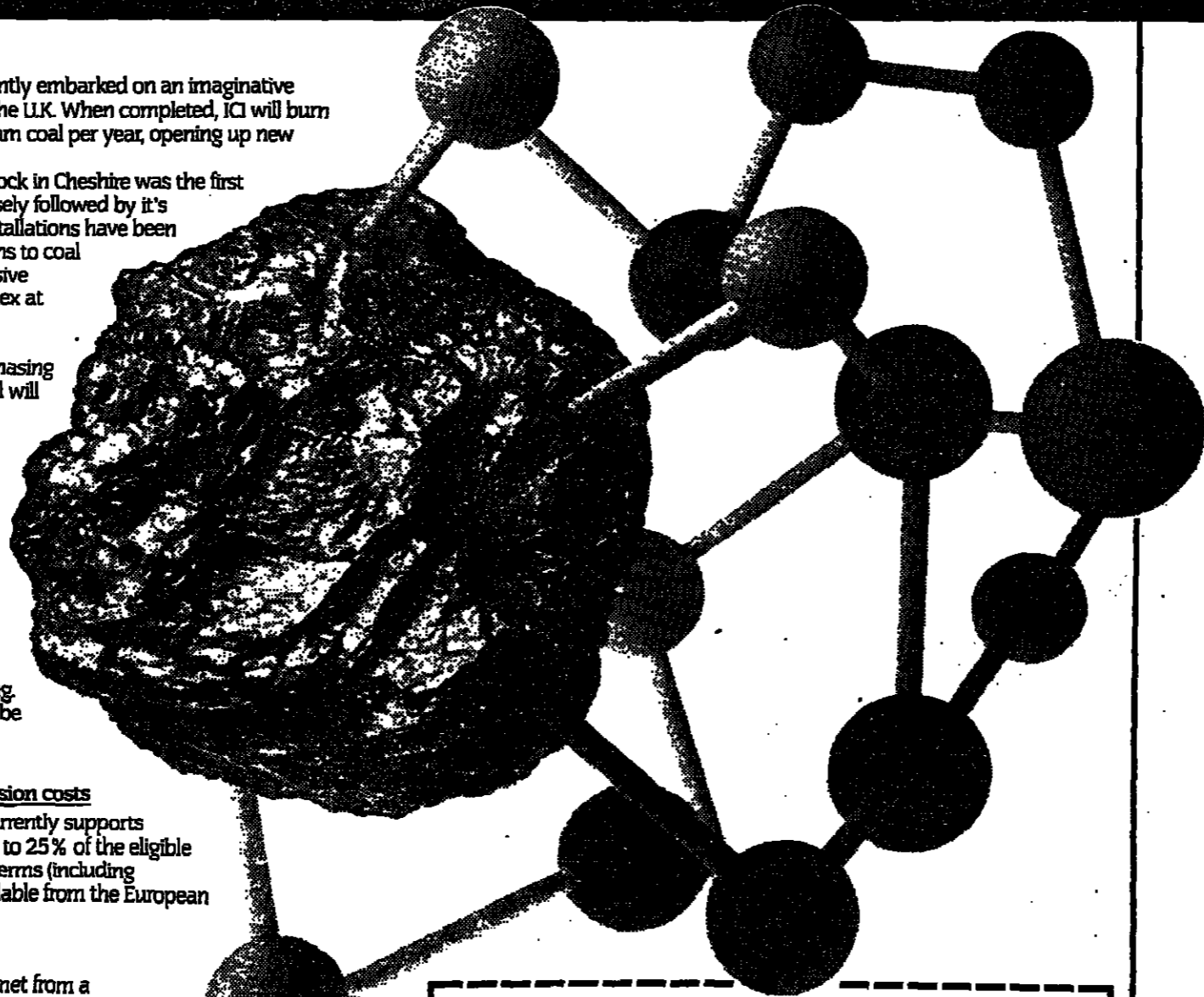
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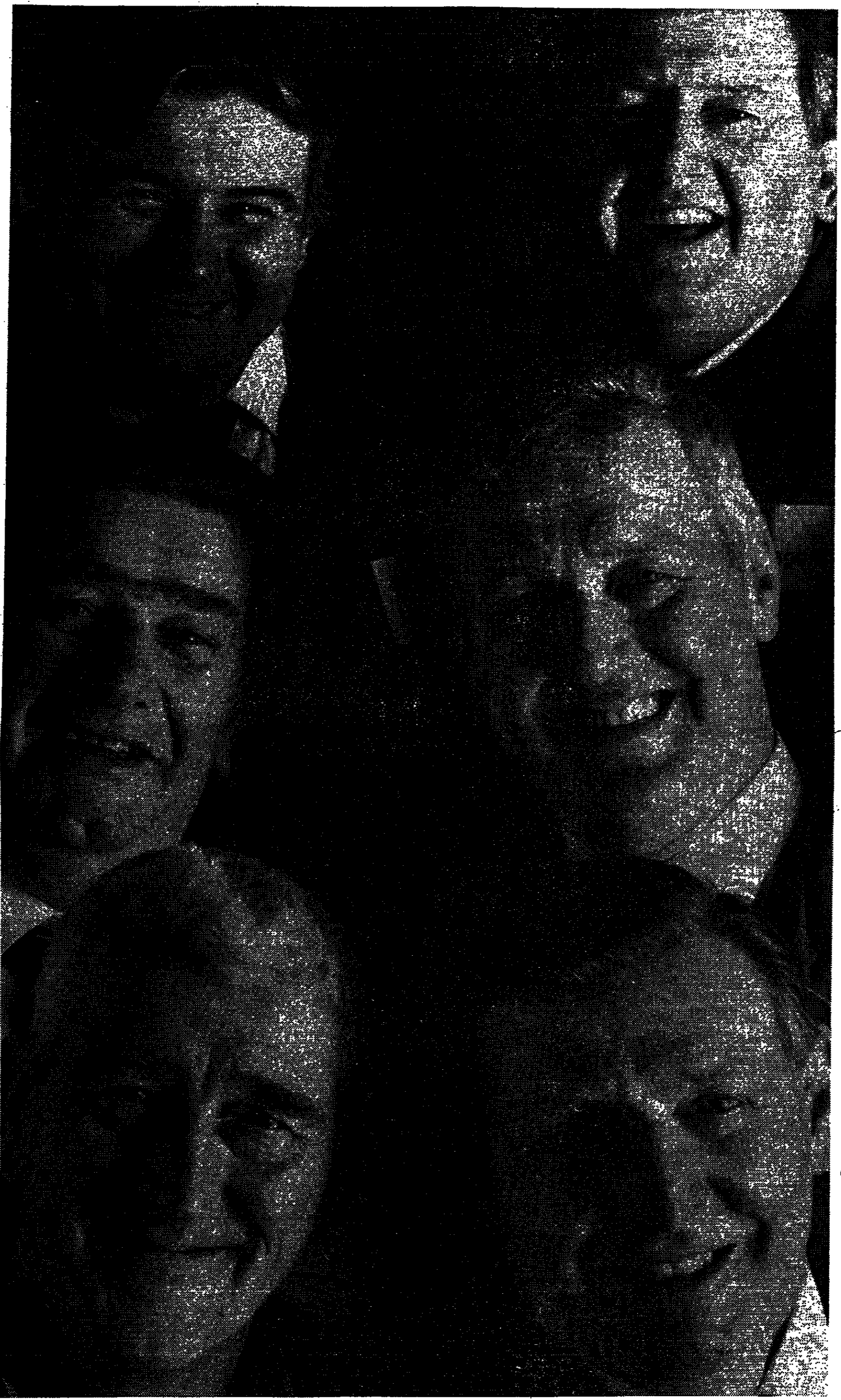
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Militant PLO slogans mark funeral of Arab moderate

From Ian Murray, Jerusalem

The body of a great Palestinian moderate, Mr Anwar Nusseibeh, was borne in sorrow and triumph through the streets of the Old City of Jerusalem yesterday to chants of support for the outlawed Palestine Liberation Organization (PLO).



The Pope kissing a baby after his arrival in Australia yesterday. The Pope, who is on a six-day visit, received the warmest welcome so far of his six-nation tour of Asia and the South Pacific.

Jews muzzled by fear of anti-Semitism

Concluding The Times's examination of South African-Israeli relations, Michael Hornsby, in Johannesburg, looks at the moral and political dilemma faced by South African Jewry.

Jewish community and is never seen on public platforms alongside the Tutas and the Boesaka, or white churchmen like the Catholic Archbishop, Mgr Denis Hurley, denouncing apartheid.

South Africa and Israel Part 2

Legged racial minority, yet still haunted by ancient fears of pogrom and persecution. Most Jews here are usually aware of the paradox that a community which itself has been the victim of racial oppression for centuries, should be most South African blacks as happily acquiescing in the maintenance of an overtly racist state.

Emigration is likely to have cut Jewish numbers somewhat since then. Eighty per cent of South African Jews are Lithuanian in origin, a legacy of the mass exodus of Russian Jewry between 1881 and the First World War.

Jail ships set up as drug crisis worsens

From Christopher Thomas, New York

The "crack" crisis has brought New York's judicial system to the point of collapse. Two ferry boats are being converted into jails and extra judges have been drafted in, but with at least 600 crack-related arrests a month it will hardly make a difference.

People's Party chief likely poll scapegoat

From Richard Bassett, Vienna

A coalition between the Socialist and the conservative People's Party was in doubt yesterday as speculation gathered that Herr Alois Mock, the People's Party leader, would have to resign.

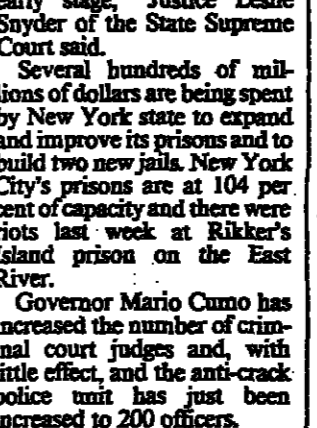
'Arafat's daughter' to get out of Sweden

From Christopher Mossey, Stockholm

The deputy head of the Palestine Liberation Organization office in Stockholm, Miss Hala Salameh, aged 27 and known as "Arafat's daughter" because of her close links with Mr Yasser Arafat, the PLO leader, last night agreed to leave Sweden before the end of the month.

ENTERTAINMENTS

A large grid of entertainment listings including Concerts, Exhibitions, Opera & Ballet, Theatres, and Cinemas. Each section contains detailed information about various performances, including titles, venues, and showtimes.



Herr Haider: his charisma drew major party votes.

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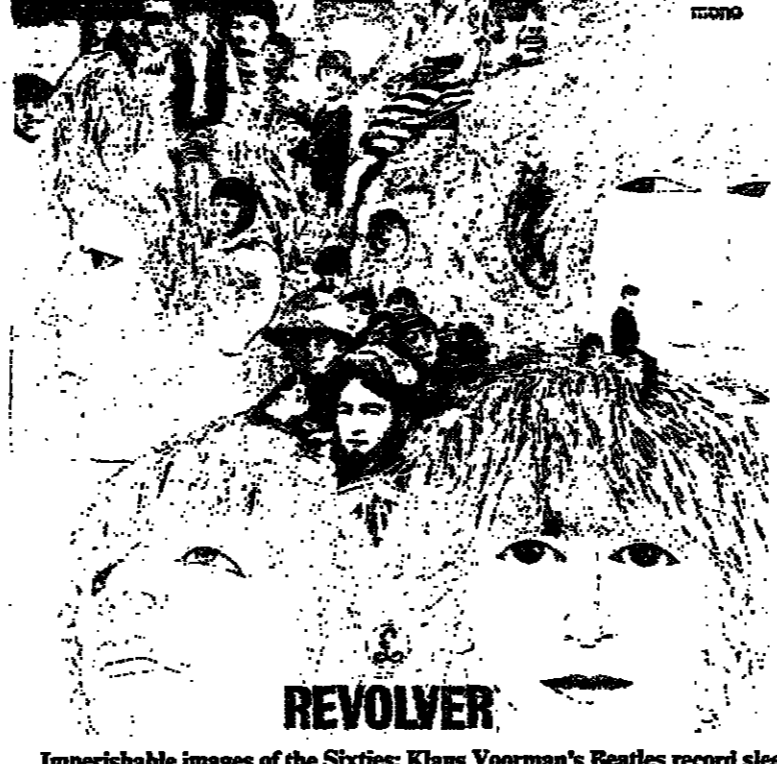
THE ARTS

Swinging again to the Sixties

GALLERIES

1966 and All That Whitworth Art Gallery, Manchester

Make or Break City Art Gallery, Manchester



Imperishable images of the Sixties: Klaus Voorman's Beatles record sleeve and John McConnell's Biba logo

Mining matters

Last night World in Action (ITV) turned its attention to the South African mining industry. South Africa cannot be understood without a knowledge of its lucrative mines...

TELEVISION

For example, we were told that "the architects of apartheid held the mining industry as their model". The impression given was that the Boer Nationalists modelled themselves on British capitalists...

The chairman of Gold Fields, Lord Erroll of Hale, was quoted as saying "our miners have better conditions than I had at public school".

Andrew Gimson

The Sixties evidently continue to excite renewed interest: presumably we are just passing that crucial stage where what has been dated, dowdy and boring suddenly starts to look period, trendy and fun.

"Swinging London": for anyone over 30 the very words must summon up a host of images. Miniskirts, of course, though as the show points out they did not reach their minimum until the end of the decade.

The organizers of 1966 and All That are quite tough on the mythic aspects of the Swinging Sixties. It is to be noted that the principal organizer and author of the accompanying book (Trefoil, £8.95), Jennifer Harris, was 17 in 1966, which should have been about the right age to experience an alleged explosion of youth culture.

Sixties were supposed to be liberating, but in fact imposed their own form of constraint: concerning the skeletal Twiggy they observe "diminutive in size, the woman is also diminished in consequence".

In other respects the show tends to be a bit solemn and sociological. But one has only to join the dozens of kids in school parties wandering round it, sketchbooks in hand, to sense that for all the mild disapproval and admonitions that we must be serious about all this, the fun of the decade does come out.

about design, though there is an annexe of art from the period which happens to be in the gallery's collection, and the early examples of British Pop Art and such do not look at all bad.

I've wanted to see the sort of thing that the Sixties dragged us out of, Manchester at the moment offers a useful point of reference in the Make or Break show, which began its life at the Royal College of Art in London and has now arrived (until December 7) at the Athenaeum section of the City Art Gallery.

afterwards, really up to the Festival of Britain in 1951 - at least the possibility that the quality of life was going to improve and that designers might at last be given their heads again.

Though 40 years is a long time, it seems longer. The main notion of Britain Can Make It appears to have been that everything was going to go back to just where it had been before things that had not been available "for the duration" would come back again unchanged, and people would be wearing the same clothes, living in the same houses, eating off the same china, and using the same domestic appliances they had in 1939.

John Russell Taylor

ROCK

Alice Cooper Wembley Arena

Before the excesses of W.A.S.P., Iron Maiden, The Damned, The Tubes, Kiss and even The Rocky Horror Show there was Alice Cooper, the man most singularly responsible for the catalogue of miscreant entertainment that has become so pronounced since his fall from prominence.

The magnificent stage set was a Gothic cross between Frankenstein's junkyard and the wreck of the Hesperus, and Cooper, wielding a variety of whips, swords and canes, strode like Billy Smart in a circus of terrors through a litter of disembodied model legs and heads, pausing to fondle his python during "Be My Lover", engage in a whipping duel with a leather-clad dominatrix during "Go to Hell" and impale baby dolls on the end of a sword while singing "Billion Dollar Babies".

David Sinclair

CONCERTS

LSO/Abbado Barbican

There are few conductors who can match Claudio Abbado's sophistication in the tricky business of delineating and refining Debussy's textures. Perhaps this was not the most exciting performance of Iberia imaginable: the outer sections, in fact, were rather sedate and too obviously painstaking.

The London Symphony Orchestra's prelude to Debussy's early cantata La Damoiselle élue was also sensuously wrought, preparing the ground admirably for those rather drippy images that prop up Rossetti's poem: lilies, ripe corn, eternal womanhood. To this the fresh-toned ladies of the



Claudio Abbado: coaxing breathtaking fragrances

London Symphony Chorus and the mezzo Claudia Eder grafted on a well-pointed narrative. The central scene, however, is for the blessed damozel herself, and here the soprano Maria Ewing took us into a different emotional league, displaying much firm, cultured tone especially in quiet, low-lying passages.

Brahms sat a trifle uneasily amidst all this Debussy, but his Violin Concerto sits with perfect ease on Viktoria Mullova's fiddle. To hear this work, such an epic challenge to technique and temperament, played with infallible intonation and scrupulous fidelity to the composer's markings is surely a joy in itself.

Richard Morrison

RPO/Dorati Festival Hall

Brahms was in his heaven on Sunday night and all, or so it seemed, was right with the world. Antal Dorati was back with the orchestra of which, at 80, he is conductor laureate; the Royal Philharmonic played trustfully and honestly for him; and the audience responded with warm and generous applause.

The C minor Symphony itself won through by Dorati's judgement of tempo alone. One longed for harder light and sharper shadow in the balance of orchestral parts; one waited in vain for melodic line to triumph over harmonic block in the second movement.

The Piano Concerto was a schizophrenic affair. There was Dorati, standing at a tasteful distance from the work's emotional trauma, turning its rhythmic owners firmly and gracefully, feeding each burgeoning melody with discretion and restraint, and keeping the rondo finale on a tight rein.

Hilary Finch

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THEATRE

The Last Waltz Soho Poly

As a National Serviceman, my strongest memory of Sandhurst is of an exercise in which the city had been blown to smithereens and the Blues had become a huge lake of Sullwater Mere. To judge from Gillian, Richmond's play, the Army is still having its wicked way with the area.

The Last Waltz encapsulates a friendship between two Army wives in an environment where snail relationships are under constant threat from posting, promotion and pregnancy. From the first sight of Denise barging into the scene, we know Christine's intrusive snooping, denigrating her trinkets and making off as soon as she has extracted a subscription for a wicker table, there seems small chance of the two making friends.

Ten years later, the relationship has reversed. Now Christine is comforting the harassed Denise, approaching 40 and dreading the prospect of another posting. As a birthday present, she offers Denise a day trip to Boulogne, but she cancels it on receiving an invitation from the colonel's wife. After all, her husband's promotion comes first.

INTEREST

FESTIVAL

I dare say that music histories written in the next century will talk of Huddersfield's Contemporary Music Festival with some awe. Every year sees a lively gathering of composers established and unknown, of performers British and foreign, of audiences young and old. The common bond is a boundless enthusiasm for a living art and although not all of the music may be momentous, there is no better place at which to try it out than this friendly workshop.

Last year the accent was very much on things British: this year the organizers have opted for a more varied programme, though the principal focus is a major retrospective of the music of Liszt.

The composer himself is in active attendance. Such themes, however, include German, Swiss, Hungarian and Soviet music, and among these groups there is little doubt that the figure who has drawn the most enthusiastic attention so far is the Soviet composer Sofia Gubaidulina, who has seven works scheduled for the course of the festival.

The BBC's Russian Star has already given us a taste of her talents, and to judge from Daria II (1972), which she excellent West German contemporary music group Ensemble Modern played under Heinz Holliger's direction in their concert at the Polytechnic on Sunday evening, she can be reckoned amongst the likes of Scriabin and

Leonard Bernstein's Wonderful Town "UNDOUBTEDLY THE MOST CONCEPTUALLY BRILLIANT OF THE ENGLISH REVIVAL" "THIS ISN'T EXaggerated LIFE-AFFIRMING TRUST" "ASTONISHING JOY" "BEST IN THE QUEUE"

SPECTRUM

The day the milk turned sour



Part 2: A bitter pill for British farmers

In four months time Britain's dairy farmers face massive fines from Brussels for breaking milk quotas. Meanwhile backbench MPs revolt against plans to take land out of

production. In the second of our series on the Common Agricultural Policy we look at the varying fortunes of the British farmer

When Britain finally joined the EEC in 1973, farmers could hardly believe their luck. Instead of target prices being set annually by the Ministry of Agriculture, under the niggardly direction of the Treasury, they were negotiating at a far higher level by ministers from nine countries. And because the proportion of farmers was much higher in the rest of Europe, most ministers took a far more benevolent attitude towards agriculture than the British Government.

For the Republic of Ireland, where farming and farm-related industries still dominated the economy, the effect was even more dramatic. Throughout the 1970s incomes and expectations reached undreamt-of levels with drastic effects upon the national economy, for which the Irish are now paying the price.

During this time there were siren voices warning of the dangers of setting intervention prices at levels far above world market rates, of declining export markets, and of the prospect that surpluses would sooner rather than later become unmanageable.

The warnings went unheeded. Farm ministers entered into each annual round of price fixing apparently with a complete disregard for the fact that agriculture was taking an ever-increasing share of the Community budget.

In Britain the Ministry of Agriculture was exhorting farmers to increase production and enticing expansion with offers of generous grants. The banks, too, were happy to lend on the oldest collateral of all — the land. Meanwhile the butter mountain reached 1½ million tonnes and warehouses were bursting at the seams with 1 million tonnes of skimmed milk powder. Something had to go.

For thousands of British farmers milk turned sour almost overnight. At 3am on Saturday, March 31, 1984 ministers agreed on a blanket policy which would cut total milk output in each country back to 1 per cent above that produced in 1981.

There was no time for second thoughts. The quota was brought into force 48 hours after half-asleep ministers had made their compromise decision.

In France, where dairy production plays a comparatively minor role in the agricultural commu-

nity, output had to be reduced by only 1.7 per cent. In Britain the effect was traumatic: an immediate cutback of 6.5 per cent was demanded.

During the last two years the shock effects of this have been felt in every farming community in England and Wales. On the day the quota was agreed in Brussels, the Milk Marketing Board had 39,287 members; today the figure has dropped to 36,769. The board blames the quota system.

On the face of it, the situation is absurd. Dairy farmers have been driven out of business or fined for producing too much milk. Yet millions of pounds' worth of cheese and butter have to be imported because Britain does not produce enough milk.

To meet home demand at least 16,000 million litres (3,520m gallons) is needed every year, but Brussels has decreed that its 12 member nations' farmers must produce only 12,377 million litres (2,723m gallons). So French, German, Dutch, Irish and New Zealand butter and cheese are bought in to stock supermarket shelves.

The situation will get worse: by April 1988 farmers must cut back to 12,000 million litres and proposals for an additional 5 per cent reduction are under discussion.

Last year the Milk Marketing Board was fined £827,000 by the EEC for over-stepping the quota limits by 0.4 per cent and they had to recoup the money from those of its members who flouted the quota rule, in some cases because financial ruin was the bleak alternative. A penalty of 13p was imposed on every rule-breaking litre.

There are now just two options open to small dairy farmers — either quit farming or gamble. To the Brussels *bourgeoisiers* all that matters at the end of each financial year is whether member countries have stayed within their allowed quotas. "The gamble taken by farmers is that their over-production will be offset by a neighbour's under-production," a board spokesman explained.

"It is not until the end of the milk year on March 31, when we add up the total milk yield and know whether we are above or below the allowed quota, that they learn whether they have won or lost."

"For farmers who have everything to lose and very little to gain it is rather like betting blindfolded on a hand of cards."



Squalls ahead: but Cambridgeshire farmer Oliver Walston and his dog Messel are not in serious trouble

Riding the subsidy seesaw

Some farmers have grown rich from the Common Agricultural Policy. Oliver Walston, son of an SNP peer and former Labour minister, took over the management of his father's 3,000 acre farm in Cambridgeshire 15 years ago. The turnover is about £1 million and "I honestly don't know what the profit is."

The EEC restrictions, however, are starting to bite and he is making some modest economies. Four months ago he sold his Porsche and he now drives a Volvo. The farm now employs nine people compared with 14 eighteen months ago. "But don't get me wrong. We are not in serious trouble. To use a sailing analogy, if you see squalls ahead it is only prudent to make adjustments."

"We as arable farmers enjoyed a greater level of prosperity between 1972 and 1983 than I suspect any farmer has ever enjoyed," he says. "It was impossible to lose money. Even bad farmers made some money, good ones made a lot and excellent ones made fortunes." His holidays, taken with his American wife, have varied "from Benjamins to Tibet".

During the good years wheat yields doubled, he points out. The reasons were the development of new varieties, new intensive techniques "rather like those of a market gardener growing lettuce", and the availability of chemicals "which killed diseases we never even knew we had".

"The only thing that makes me angry was that farmers were so ungrateful. They continued to whinge. Each and every year they told a gullible public that unless prices went up farmers would go

bankrupt. I suppose in a way it was brilliant campaigning." During the boom years Walston was able to re-equip the farm completely with new and expensive machinery, some of which he admits was quite unnecessary. He cites the example of a £2,500 grant for a £25,000 lorry which he would have bought anyway.

His case illustrates the difficulty of devising a fair subsidy system. There are more than five million farmers in Europe. Three million are very small, with no income, about two million are small but productive and 110,000 are big, 24,000 of them in Britain.

"The intervention system, which was meant to be a safety net, has turned the CAP into a lunatic asylum," Walston says. "The floor is now the ceiling. I have sold wheat into intervention in preference to selling it to my local merchant."

He believes that politicians and consumers have finally seen the light and realized the folly of continuing to pay subsidies to produce wheat, barley, sugar and oil seed rape for which there is no demand. But he thinks that farmers will remain a protected species because of their influence in the rest of the community.



He's got bottle: once Vic Morton filled them, now he delivers them

A curdled career

Seduced by Common Market promises, dairy farmer Vic Morton took out a bank loan and sank his life savings into improving milk production. In four months' time, instead of collecting his retirement pension, he will leave home each day at dawn on a milk float to deliver the bottles he can no longer afford to fill.

It is a bitter pill to swallow. Morton, a blunt-spoken Yorkshireman of 64, started life as a farm boy with modest ambitions, then cautiously ventured into a farm business which he presumed would keep himself and his wife Irene comfortable in their

old age. Now he feels betrayed. "Tenant farmers are relics of bygone years," says Morton, shaking out his wellington boots and walking wearily into the kitchen of his farm near Sheffield. "An old farming friend told me two years ago that it was time to get out and even the bank manager said the same: I didn't listen and my God how wrong I was."

Since the Common Market introduced a milk quota two and a half years ago, Vic has metaphorically drowned in an ocean of the unwanted liquid. His herd of 80 dairy cows produces between 80 and 100 gallons every day and when Government grants abandoned five years ago for farm expansion, Vic seized the opportunity to build a retirement nest egg.

With professional guidance he compiled a comprehensive five-year farm projection which was approved. It produced a £15,000 grant to add to the £40,000 which came out of Vic's savings and a bank loan to fund a sophisticated milking parlour.

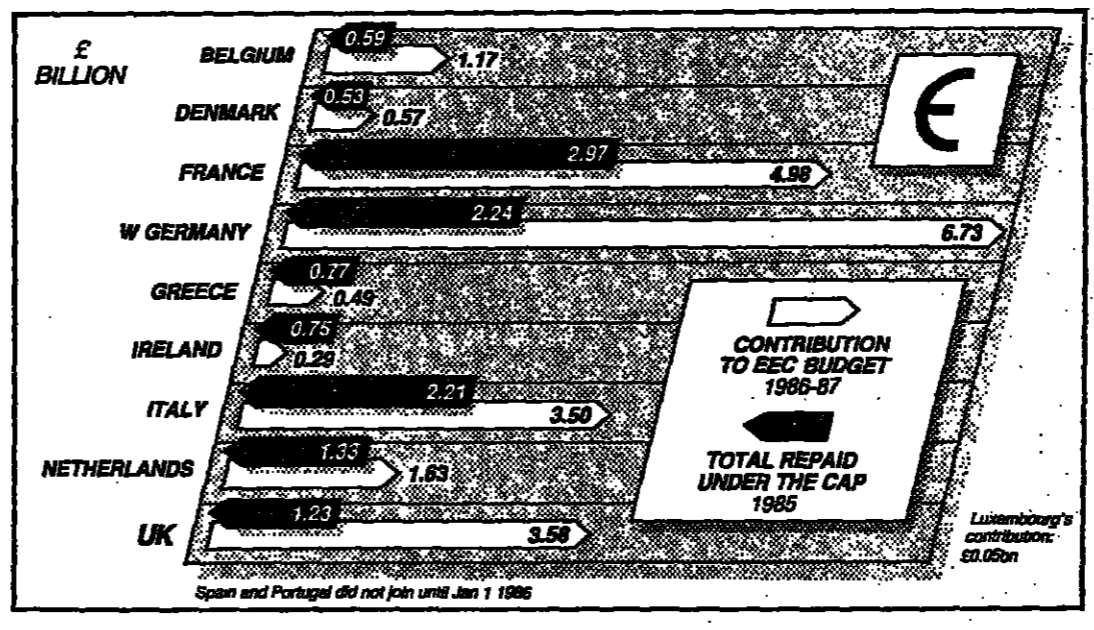
But three years ago Sheffield Council, which owns his land, increased the annual rent to £4,000; then the savage milk quota was introduced, which meant only 330 gallons — less than half his weekly total — was wanted.

Even after the quota came into force, Morton was able to dispose of about 50 gallons of excess milk daily by bottling it and distributing it on the milk round which he and Irene have run for two decades. But now, like every other dairy farmer who exceeds the quota, Morton is fined 13p by the Ministry of Agriculture on every litre above the allowance.

Two years ago Morton tried diversifying into beef production, but high feed costs wiped out slim profit margins. "Yet again I got my fingers burnt," he says wryly. "It seems every time I try a new venture I get kicked in the teeth."

"Farming has changed from when I was a boy. Now there is no place for tenant farmers, it's only big businessmen who can make a fat living from the land. There must be something wrong when I get up at 5.30 every morning to milk my cows and then have to spend four hours on a milk round to subsidize their existence."

PAYING IN AND PAYING OUT: HOW BRITAIN FARES IN THE EEC STAKES



DO YOU DESERVE A MEDAL?

More to the point, has someone you know done something for wild bird and countryside conservation? If so, the Royal Society for the Protection of Birds and Esso want to hear about it.

We are looking for individuals or organisations who have made an outstanding contribution to wild bird and countryside conservation in the following award categories —

- Individuals for the person who has made the most significant individual contribution.
- Industry for an outstanding company, work force, trade union, media for an individual, publication, programme or organisation reporting on wild bird and countryside conservation issues.
- Europeans for an individual or organisation working in Europe, outside the UK.

In addition a cash award of £2,000 will be made by Esso to one of the recipients of the above awards who, judged by Esso, has made the most positive contribution to bird and countryside conservation.

Presentations will be made at a luncheon in London. Celebrities from the world of politics, industry, showbusiness and conservation will be there to demonstrate their concern for our countryside. Will You?

For our RSPB Birds and Countryside Awards pack telephone: Carol Price 0767 80551 or write to RSPB Birds and Countryside Awards, RSPB, The Lodge, Sandy, Beds SG19 2DL.

RSPB AWARDS **Esso**

Fears on the hillside

Aberdeenshire beef and sheep farmer Eric Stephen has little hesitation in naming a major CAP success story. At a time of plummeting farm profits in Scotland — 75 per cent down last year — the CAP has allowed sheep farmers to stay on the hills with a guaranteed level of support, through the sheep meat regime.

This has helped Stephen expand his flock to 600 head on his 680-acre mixed unit in the heart of rural Aberdeenshire, but he dreads to think what would happen if the Commission "pulled the plug".

After the first boom years of the CAP in Scotland, the rise in interest rates in the Seventies knocked the wind out of farmers like Stephen. Now he fears that the variable beef premium will be scrapped, removing £13 million in support from the hard-pressed beef producers. High demand for good-quality maturing barley — he grows 250 acres of cereals — has helped equalize the picture, however.

Profits have not been high. In 1975 the farm yielded £16,000 on a gross output of £65,000. The bulk was re-invested and he drew £4,800 to provide for his wife Nora and four children. Last year he made the same profit on a gross output of £120,454. He took £7,000 for himself and thinks he is worth more.

Ten years ago Stephen drove a new Mercedes, now he drives a 1977 Rover. Like other Scottish farmers, he realizes that the days of full-blown production are over. What they need now is guidance from the Government.

Shoulders hunched against the icy wind, Welsh sheep farmer Bill Lloyd climbs the bleak hillside where his flock nose out tufts of grass and gazes anxiously seaward. His future and that of his sons Jim, aged 21, and Bill Junior, 19, will be decided in Brussels, and he cannot hope to influence the outcome.

All Bill's lambs go direct to the abattoirs where he is paid a guaranteed price of £2 per kilo under the variable guarantee scheme instead of the average £1.50 per kilo at which his lambs are valued at market prices. Over the past 12 months Bill has received a CAP subsidy of £12,000. The abattoir claims back its loss through the Ministry of Agriculture.

At Bill's local cattle market last week rumours were rife that the premium on hillfries was about to be cut. As a result cattle that would normally sell for between £350 and £370 were auctioned off for just £330. Next month the variable premium comes up for annual review. Any change is it could send Bill into bankruptcy.

He bought his 212-acre farm near Aberystwyth in 1974 and added 140 acres in 1977. He was one of the lucky ones whose sheep were not affected by the Chernobyl disaster, although homeowners boycotted the local butchers for three weeks.

He is anxious both to diversify and to regulate a gross income which ebbs and flows between £40,000 and £60,000 each year, and plunges to about £10,000 after overheads have been paid. He runs an ageing Volvo and holidays are usually a weekend in London or the Lake District with his wife Lynne. In North Wales rich farmers are a myth.

Member states' contributions to the EEC are financed partly by VAT receipts and partly by external levies and refunds from the European Agricultural Guarantee Fund. The latter are not payable until intervention stocks are sold; while they remain in storage, they are national responsibilities. These unsold "mountains" explain why only Greece and Ireland appear to be beneficiaries.

TOMORROW
Why the CAP won't fit the world

Times reporting team: John Young, Richard Owen, Bill Lockhart, Ian Smith

CONCISE CROSSWORD NO 1115

ACROSS

- 1 Blister disease (6)
- 2 Subtle point (6)
- 3 Dried grass (3)
- 4 Upper Elbe region (6)
- 5 Line of approach (6)
- 6 Eye inflammation (4)
- 7 Straw roof worker (8)
- 8 Bushman founder (6,7)
- 9 Equify (8)
- 10 Curved opening (4)
- 11 Tinned (6)
- 12 Hang freely (6)
- 13 French water (3)
- 14 Torpor (6)
- 15 Earliest word form (6)
- 16 Former Liberal Canadian PM (7)
- 17 Vessel command (9)
- 18 Unyielding (7)
- 19 Left over (7)
- 20 Down duck (5)
- 21 Violinist (5)
- 22 Doze (3)

DOWN

- 1 Precise (5)
- 2 Dissenter (9)
- 3 Unethical lawyer (7)
- 4 Malawi lake (5)
- 5 Billiard stick (3)
- 6 Former Liberal Canadian PM (7)
- 7 Vessel command (9)
- 8 Unyielding (7)
- 9 Left over (7)
- 10 Down duck (5)
- 11 Violinist (5)
- 12 Doze (3)

SOLUTION TO NO 1114

ACROSS: 1 Square 5 Ball 8 Ivory 9 Placid 11 Brabazon 13 Wall 15 Bacchus 18 Reap 19 Suvazali 22 Balance 23 Bertel 24 Lynx 25 Suncare

DOWN: 2 Quota 3 Any 4 Exploded views 5 Boar 6 Indiana 7 Bibbo 10 Toll 12 Aura 14 Boon 15 Bramley 16 Drab 17 Sully 20 After 21 Oxyx 23 Bir

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Your cards and gifts will make Christmas even happier for friends and relatives overseas. But remember — the recommended last airmail posting dates for Christmas start on December 1st. For example, gifts by air to Australia should be posted by December 1st and cards by December 3rd; cards to the USA by December 5th and to Germany by December 12th.

All the dates are listed in this leaflet. Pick up a copy today from your post office.

Royal Mail



FASHION by Suzy Menkes

'Not since Norman Parkinson created fairytale pictures of Princess Anne in 1971 has a photographer conveyed the magical quality of royalty'

The exhibition at the National Portrait Gallery to celebrate the Queen's sixtieth birthday is filled with images, domestic and majestic, by painters of our time. It also includes photographs commissioned by the royal family themselves for official distribution.

Artists use licence and imagination and are aiming to please patrons, from the Fishmonger's Hall to the Reader's Digest. Their work must be judged according to aesthetic and artistic standards.

Photographers are called to the Palace to gild the royal image and, although some portraits may be more graceful or more technically effective, we must assume that the Queen and her family and all their advisors have some general aim in view.

If there is a cohesive picture of the royal family in the modern age, I cannot find it either in the current exhibition or in recent portraits taken of the Princess of Wales and the Duchess of York.

Disparate photographers doff their lens caps in the royal presence. Apart from Snowdon, who is primarily a fine portraitist, and Tim Graham, whose training was in news reportage, the photographers royal are mostly grounded in fashion. Sarah Ferguson and Prince Andrew deliberately summoned two fashion photographers, Terry Donovan and Albert Watson, to present them as a regal couple.

Yet something funny happens to fashion photographers on the way to the Palace. All their training and experience in creating a striking

FASHION EDITOR'S COMMENT

visual image seems to desert them.

Not since Norman Parkinson created romantic fairytale pictures of a surly Princess Anne for her twenty-first portraits in 1971 has a photographer succeeded in conveying the magical quality of royalty. This was done in a snappy way in the 1940s by Marcus Adams and by Studio Lisa, whose portraits of the little princesses plopped in frills and flowers make Lisa Sheridan the Crawfie of royal photographers. Such pictures had a particular, definite

purpose: to show a misty-eyed vision of family life in a Britain of the Blitz.

The late, great Sir Cecil Beaton, whose royal portraits are a mirror image of his baroque and whimsical fashion pictures, is the only photographer to have created an image for the 20th-century monarchy. His pictures of Queen Elizabeth in ethereal tulle taken for the state visit to France in 1939 established a romantic style which the Queen Mother has carried with her for half a century. Both

the photographs and the dresses were inspired by Winterhalter, the 19th-century court painter who is himself the subject of a major exhibition at the National Portrait Gallery next year.

What we have today is a series of banal pictures taken in the royal back yard, punctuated by the occasional Snowdon portrait designed to give historical depth and gravitas. There is a place for candid camera shots to humanize royalty. It is charming to see the Queen beaming broadly at the Duke of York's camera or the little Prince William on horseback. But these should be matched by pictures that set monarchy as a race apart, in the context of our history and with all the accoutrements of majesty.

The great royal portraits were produced in a more confident age. Now the photographs, like the events themselves, lack the element of theatre necessary to make the symbolic side of the monarchy impressive for the subjects.

Our royal family are, to an extent, beached in a Europe once over-populated with their species. The grand clothes and jewels are also left as an island of splendour from which the rest of society has receded. Instead of trying to underplay the glamour and the glitter, official photographers must play it up. As a women's magazine so succinctly put it: "Are the royals royal enough?"

Suzy Menkes discusses the Royal Image 1837-1986 at the National Portrait Gallery tonight at 6.30pm. "Elizabeth II, Portraits of Sixty Years" runs until March 22.



The Queen by Beaton, 1956



Muted burgundy, blue and green argyle slip-over, £49.50. Green and white cotton shirt, £42.50. Navy corduroy trousers, £35. All from Mulberry Company, 11-12 Gasse Court, W1. Tortoiseshell-rimmed spectacles, £24.95 from Doldford and Aitchison



Graphic patterned smoky blue, grey and black sweater, £119. Charcoal and blue check brushed wool trousers, £78, both from Malcolm Levene, 13-15 Chiltern Street, W1



Coat of arms marled grey heraldic patterned sweater, £40. Fine stripe crinkled wool trousers, £35, both by French Connection from Connections, 55-56 Long Acre, WC2, Dickens and Jones, Oxford Street, W1 and Lewis's, Manchester Photographs by CHRIS DAWES

Knitting up the new mood

That indefinable look of the English gentleman: classic elegance and understated class

Ever since Sebastian Flyte strolled on to our television screens in *Brideshead Revisited*, men's fashions have emphasized the kind of sartorial elegance of which Aloysius Bear would have been proud. The winter's knitwear for men confirms the look for young English gentlemen combined with a more American feel for collegiate stripes and *Gatsby*-style argyles.

Young fogeys, still hung up on Nanny's plea for warmth and practicality, will find replicas of their public school games sweaters in thick grey wool gracing the windows of high street menswear shops. They may even find their family coat of arms emblazoned across the front or embroidered on to a pocket.

George Poles of Barrie Knitwear in Hawick, Scotland, cottoned on to this heraldic look and have transferred a design based on Hawick High School blazer badge on to their perennial "Higgins" cardigan. This season it comes in cherry red and forest green trimmed with collegiate stripes for a schoolboy prep look.

Young fogeys will find replicas of school sweaters

Jeremy Hackett has captured the young fogey market by selling the real thing: grandfather's cardigan, complete with mulligatawny stain for authenticity. He has two shops in Fulham and has just taken over management of those ultra-refined establishment outfitters, Cordings of Piccadilly.

Roger Seal of Mulberry will appeal to a more liberal, counterculture weekend. His shop in Gasse Court, W1 may not smell of old leather and mothballs but the feel is very much P. G. Wodehouse, hunting, shooting and fishing. Mulberry's argyle sweaters are in muted shades of autumn and oiled fishing sweaters are knitted in deep burgundy, brown and charcoal grey.

A wintry idea from Jaeger is a lambwool scarf given away with every sweater bought from their menswear department. To qualify for this freebie snuffler you can choose from chunky wool sweaters in raspberry red or cream to heavy-weight cable-knit Nordic patterned polo-necks.

The feel is very much that of P. G. Wodehouse

Malcolm Levene's shop in Chiltern Street, W1 is decidedly more yuppie than fogey. Levene describes this season's knitwear, which is mostly commissioned from Italy or France, as "New Classic". The designs are based on old knitting traditions. Fair Isle and Aran, but the colours are totally unexpected. Petrol blue and metallic grey blend in more with the streamlined rails of Malcolm Levene's shop, and the lighter-weight sweaters and waistcoats fit more neatly over tailored trousers or under structured jackets for townies.

A new shopping stop for men opened in London last week. Zy at 59 South Molton Street promotes the American prep style that go so well with a Filofax and executive swivel chair. For £33.95, aspiring professionals can pick up a sporty V-neck cardigan complete with go-faster stripes.

Rebecca Tyrrel



Softest wool pale green cardigan, £235 and matching silk chiffon skirt. Both by Romeo Gigli from Browns, 27 South Molton Street, W1 Make-up: Debbie Bunn. Hair: Jaffa for Pierre Alexandre, 17 North Audley Street, W1. Photograph by MIKE OWEN

Long and classic or oversize and fluffy: woollens are in tune with today's fashion

Knitwear is quick to pick up a fashion stitch. The new mood - gentle, graceful and feminine - is best expressed in knit. The naked nape rises swan-like from a boat-neck sweater or a V-front cardigan. Attenuated woollens flow into soft skirts for a look that goes from day through to the quiet of the evening.

Romeo Gigli in Italy is the author of the fashion feel for the long, the grave and the plain. His dusty colours, simple shapes and flat wools are setting a style for classic knits. These are in contrast to the fluffy sweaters with padded shoulders that were Milan's earlier contribution to fashion knitwear; to cherty oversize sweaters in bright knitted cotton; to winter woollies relying on unusual yarns or stitchcraft to give surface interest.

The most recent work is colourful and abstract

Knitwear is for all seasons and all reasons, with many of the styles co-existing in the fashionable wardrobe. A newly opened exhibition at the Crafts Council emphasizes the "common art" of knitting, but the garments on display also show a continuous thread of fashion.

From the delicately stitched green and gold 17th-century jacket to the Edwardian woolly with its fashionably bulbous leg-o'-mutton sleeves, knitwear has adapted to the mode of the moment.

The exhibition is designed to provoke. Photographs and reportage from the past prove that knitting was often women's work rather than art or craft.

The large modern section should inspire Britain's 11 million hand-knitters. It includes tapestries of colour by knitting's guru Kaffe Fassett, bold flowers from Susan Duckworth, and Patricia Roberts's evocative South Sea Island fruits. The most recent work is colourful, abstract and sometimes experimental, like Susie Freeman's nylon filament knitting with sequins trapped in tiny pockets.

Designer knits is also the theme of a new book, joining the crowded shelves of imaginative pattern books. Designs from America's Perry Ellis and Joan Vass, as well as knits from our own Bill Gibb, are included in *Exclusively Yours*, a colourfully illustrated book by Frances Kennett, £12.95 from Grafton Books.

"Knitting: A Common Art" is at the Crafts Council Gallery, Waterloo Place, London W1, until January 11, and then at Shipley Gallery, Gateshead, and Yorkshire Museum, York.

Spanish hat trick

Is milliner Graham Smith, whose clients include the Duchess of Kent, Princesses Alexandra, Margaret and Diana, giving away some royal secrets? Graham, whose designs for Kangol have included the chirpy sailor hat for the Princess of Wales, designed to wow the Italian navy on her visit to Italy with Prince Charles, unveiled his latest collection last week. It was filled with Spanish *olé* matador hats in striking scarlet and black as well as Infanta confections in black tulle.

Diana is confidently expected to pay an official visit to Spain next year, as guest of the Wales's close friends Juan Carlos and Queen Sofia, and to boost a major British fashion promotion in Spain.

PEOPLE

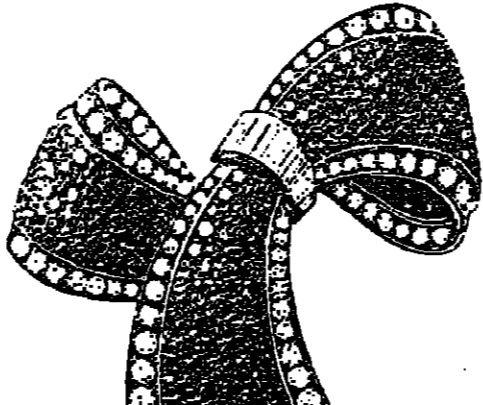
Also turning heads is Kirsten Woodward, star spotted by Karl Lagerfeld two years ago and creator of Diana's Paddington Bear sou'wester for the wedding of the Duke and Duchess of York. Kirsten, who studied millinery on a four-year course at the London College of Fashion, has agreed to share her secrets with us at Liberty next Tuesday for the *Times* shopping evening. Couturier Victor Edelstein has also taken up Kirsten Woodward, who might reflect that after designing cream-puff-and-eclair hats for Karl's famous *Patisserie* collection, her career has been a piece of cake.

I hear that British fashion students, who have given Jean Paul Gaultier some of his best ideas, have pulled off a *coupe royal*. Gaultier will brief students with his ideas for fabric design for this

year's Courtelle Award scheme. The Parisian designer, many of whose ideas were inspired by avant-garde student fashion, flies into London next week.

Pats on the back

Energy minister Peter Walker in pin stripes, old school tie and Church's brogues, lived up to his title with a vibrant and rousing speech to the fashion establishment last Tuesday. The assembled throng, gathered together in the Hilton ballroom for the annual convention of the British Clothing Industry Association, was predominantly male, overwhelmingly business-suited, and pleased to be patted on the back by the government for creating jobs in manufacturing. Breaking the sartorial mood was Jean Muir in hoardstooth check, sitting with Royal College of Art rector Jocelyn Stevens representing art among the industrialists.



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THE TIMES DIARY

30 years hard

The saga of barrister Nemone Lethbridge and convicted murderer Jimmy O'Connor has taken a new turn. The couple, whose marriage in the early 1960s cost Lethbridge her job, are to go to the European Court of Human Rights in January to try to clear his name. O'Connor, who won a last-minute reprieve from the gallows in 1942, served ten years in jail for a crime he says he did not commit. Now 67, he has received a letter from the Home Office saying that although his conviction was 44 years ago, the file on his case covers the period 1941 to 1971 and under the 30-year rule cannot be released until 2001. "I want the Court of Human Rights to force the Home Office to release the papers now," O'Connor tells me. Though the couple divorced in 1974, Lethbridge - who returned to the Bar in 1981 - says she will back him all the way.

Cahoots, mon

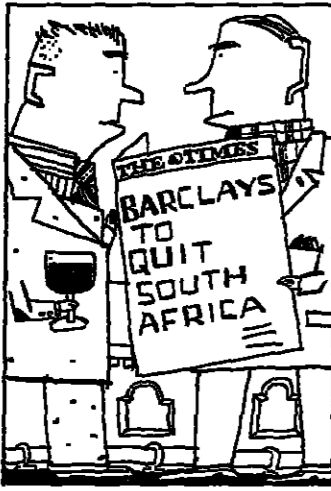
Following in father Patrick's footsteps, Bernard Jenkin has just been adopted as a Tory prospective parliamentary candidate. Not much hope of making it to Westminster after the next election, though: the seat is Glasgow Central, a Labour stronghold. Why has Jenkin, who sounds as English as they come, taken on the challenge? "I want to illustrate that people in the South-east haven't forgotten about Scotland. After all, the captain of Glasgow Rangers is an Englishman too," Jenkin tells me optimistically.

Trust Lloyd's to do it in style. For the official opening, the organizers bought up the entire stock of 1979 Vauxhall Cavalier - 5,000 or so bottles. Appreciative guests dined the lot.

Taken off

It doesn't pay to offend BA. Paul Maurice, aviation correspondent of the London radio station LBC, wrote a critical piece in this month's issue of Executive Travel casting doubt on the airline's ability to sail from privatization into profit. He ended with the comment that the chairman, Lord King, and the chief executive, Colin Marshall, "should call it a day after privatization and hand over to a new breed of dynamic management." BA replied by totally grounding Maurice, declaring him "beyond the pale" and withdrawing all press facilities. Nonetheless, Maurice says he intends putting the ban to the test by turning up at BA's Christmas party.

BARRY FANTONI



'But the rumour is they're still opening on Saturday mornings'

Barclay backlash

Harry Philbbs tells me that the Federation of Conservative Students is to boycott Barclays Bank. The reason, of course, is Barclays' withdrawal from South Africa, and the "divided loyalties" of far-right Tories. Hasn't the FCS been abolished? Not until March, I am told - and there are still hopes that the Tebbit interdict can be lifted. A campaign to save the FCS is in the offing, with funds from wealthy sympathizers now being channelled through the right-wing pundit Sir Alfred Sherman.

Telling

The Bristol company Signs on Wheels, which displays advertisement hoardings mounted on 7-ton trucks, will be glad that the British Gas campaign is finally over. When not on hire, the trucks bear the company name and the slogan "Telephone Martin or Sid." Needless to say, hundreds of Bristol wags blocked the telephone lines with a message for Sid - so much so that the trucks were locked away in the garage. Manager Martin Fawcett offered them to Peter Walker, the Energy Secretary, as part of the BG campaign "but he didn't want to know."

On the mark

I am about to blow the final whistle on goalkeepers' nicknames. Only the most unstopable of your mailshots will lead to extra time. I particularly enjoyed the appellation of a goalie for the Plymouth polytechnic side whose surname was Jacobus; his team mates called him "Crackers" since you have to be mad to play in that position; I also liked "Teflon" for the man whose hands were non-stick, and the now defunct subequit for the young Peter Shilton (England's Number One); Dracula, for the reason that he did not like high crosses.

PHS

When the hassle got too much

Donald Woods explains the significance of Barclays' withdrawal from South Africa

Barclays Bank's announcement yesterday that it was withdrawing from South Africa is the result of several factors, including the long anti-apartheid campaign against Barclays for being such a major investor in the apartheid economy for so long.

This campaign has included the withdrawal by many students, municipalities and charitable funds of their accounts from Barclays over the past seven years, and has undoubtedly constituted an important part of what American corporations call "the hassle factor" in dealing with South Africa. In terms of this factor, when the financial returns from South Africa are outweighed by the related losses in other areas, the hassle isn't worth it.

Ultimately, however, the basic reason for the withdrawal of Barclays is that there are today some 44 million black Americans whose political leaders have adopted the anti-apartheid cause for the first time as a priority in American domestic politics. Inevitably this has been reflected in Congress, because there is no seat anywhere in the United States that is unaffected by the black vote. It has also been reflected in corporate policy, because no major American corporation can ignore the sensitivities of 44 million black American customers.

These developments have in turn affected American foreign policy: witness the quiet cremation of the "constructive

engagement" policy and the new readiness in Washington to do business with the African National Congress.

A further factor encouraging this tendency to drop South African business involvement is the fact that more than two-thirds of the world's people are "black" and are increasingly aware of and angry about apartheid, and that this affects relationships among the Commonwealth countries as well as the wider relationships among member states of the United Nations.

In short, the United States and the EEC can no longer afford to affront most of the Third World for no worthwhile gain, and as a major bank with strong American and European relationships Barclays would have been foolish and unbusinesslike to continue swimming against the growing tide.

Withdrawal from South Africa will therefore take a lot of pressure off Barclays provided that it is genuine and seen to be genuine. It will not be seen to be genuine if past lending patterns or loan restructuring services to South Africa are continued by Barclays under some other dispensation, but no doubt the bank's chairman, Sir Timothy Bevan, will be fully

aware of the pitfalls of such a course.

Barclays' decision follows earlier withdrawals from South Africa by such American corporations as Polaroid, General Motors, IBM, Coca-Cola and Kodak. It will inevitably cause a flutter among the other British companies involved there.

The argument that involvement by foreign concerns in the South African economy is for the benefit of black South Africans has never been supported by black leaders there who are financially and politically independent of the government. All of the independent mass movements - the African National Congress, the Pan-Africanist Congress, the United Democratic Front, the Black Consciousness Movement and, in Namibia, the South West Africa Peoples' Organization - have long and consistently opposed such involvement.

In these circumstances it has been seen as arrogant of non-victims of apartheid, such as white South Africans and conservative politicians abroad, to brush black opinion aside and claim to know more about what is in the interest of blacks than the blacks do themselves.

It has also been noted that

South African government representatives and their supporters abroad who claim the blacks will be the worst sufferers from disinvestment are not generally known to be persons long concerned with issues of black welfare.

As most black South Africans see it, according to those of their leaders who appear to have most support, they are in what appears to them virtually a war situation; that anyone who helps their enemy harms them, and that those most helped by foreign investment and participation in the South African economy are the whites who benefit most in terms of dividends and, in the case of the South African government, from corporate tax revenue.

When there is dispute about who their leaders are, black South Africans are entitled to say that until they are allowed to prove this openly by voting, the western world should assume what it does about such countries as Poland - that in a society which forbids most of its citizens to vote democratically, those leaders who are in prison or most persistently persecuted must be taken to represent the wishes of the majority.

In Poland's case that means Lech Walesa; in South Africa, Nelson Mandela. And Mandela is for more than disinvestment. He is for full mandatory sanctions.

The author was formerly editor of the Daily Despatch, East London.

Glanville Williams on the flaw in plans to video child abuse evidence

More humanity, Mr Hurd

The Criminal Justice Bill proposes live video links to enable children to give evidence in child abuse cases without the distress of testifying in open court and in the presence of the alleged abuser. The abuse will frequently have been sexual but may be purely physical. After the number of cases of abuse which have been brought to light by the BBC's *Childwatch* team - some causing mental anguish well into adulthood - we must give one cheer for that. Under the measure, as outlined by Douglas Hurd, the Home Secretary, at the Conservative Party conference, the principal courts will be equipped with video screens to enable all to watch and hear the child's evidence. Hurd's cautious proposal will save the child from going into the courtroom but lacks the important further advantages that would follow from a system of recorded evidence for child witnesses.

The live-link interrogation would still mean another grilling for the child, whose evidence would still be elicited in court by a lawyer and video-linked to the child who is in some other place. Questions will be asked by a prosecuting lawyer on a screen, perhaps in his full regalia; a highly insensitive way of extracting evidence from a child, particularly in a case of sexual abuse within the family.

Doubtless it is part of the plan that defending counsel will be able to cross-examine the child from counsel's place in court. A wise judge will allow counsel to shed his robes for the purpose, but other objections to formal cross-examination by this method will remain. The child should be questioned by one person seeking to arrive at the truth, not by two people, one trying to elicit his or her story and the other to dispute it. Moreover, a defendant is entitled to conduct his own defence: will he be entitled to cross-examine the child? The idea is preposterous.

The proposed procedure would operate only at the trial, which may be long after the incident, when the child has forgotten some of the details. Not only will the child's evidence lose some of its sharpness through the lapse of time, but it is highly undesirable that the child should be required to remember the incident longer than absolutely necessary. By the time of the trial the child



Childwatch

will have been questioned by various people, perhaps in a highly unsatisfactory way. The rules forbidding leading questions in court may be nullified by assiduous leading questions asked before the trial, all of which would be revealed in a recorded interview.

The recorded interview could then be made available to the defence. In contrast, the live-link procedure would not enable the defendant to see for himself, before the trial, the full force of the child's evidence, and so would not induce him to admit his guilt and save the trial, as American experience shows that video recordings do. On the admission being made to the prosecutor may be satisfied that alternative arrangements will justify the charge being dropped. Even if it proceeds, the court hearing will be greatly shortened by a plea of guilty, and the necessity for much distressing evidence avoided.

The video recording may enable the defendant to investigate and perhaps disprove the child's allegations. Professor Arne Trankell, in his book *The Reliability of Evidence*, described a Swedish case in which the sensitive examination of a boy complainant gave the questioner a lead that, when followed up, proved that the boy's evidence was mistaken. If the details of the child's evidence had come out for the first time in court, there would have been little opportunity to avoid a miscarriage of justice.

The proposed procedure would not save the child from having to

repeat the evidence if a new defendant was subsequently added to the proceedings, whereas the video recording retains its value in these circumstances. In short, the Home Secretary's proposal fails to offer most of the significant advantages of video recording. Hurd's rejection of video recording was perhaps due to the unfavourable publicity given to recent remarks by a judge and a barrister, but these remarks may be understood as having been directed rather against the way particular interviews were conducted than against the practice of video recording itself.

Under a system of video recording the child's evidence is taken by a properly qualified and specially trained person (emphatically not in a police station). This person (who should always be a woman when the sexual abuse of girls is involved) may be the doctor (perhaps a police surgeon) who performs a physical examination of the child, or it may be a psychiatrist, paediatrician or other doctor, or a child psychologist or social worker; but the interviewer should in any case have considerable interviewing skill and the experience needed to understand the mental condition of the child complainant. She should also receive specialist instruction. She must, for example, know that leading questions have generally to be avoided.

This procedure should be used for all evidence by children for or against other persons, whether the child is the complainant or not.



Esther Rantzen's Childwatch interviews have drawn attention to the scale of the problem; Douglas Hurd has plans to make a child's testimony in court less of a trauma. But he does not go nearly far enough.

The defendant (if he has then been arrested or charged) could be enabled to attend with his lawyer and to sit behind a one-way mirror. The interviewer would be wearing a miniature ear-phone, so that the defendant's lawyer could suggest supplementary questions that he wished to put to the child. These requests would be included in the record for the court at the trial, so that the jury (or magistrates) would be able to check that the interviewer dealt as well as could be expected with the requests she received.

If the defendant has not been arrested at the time of the interview the defendant must be allowed to request a supplementary interview with the child, at which his questions are put to the child by the same interviewer, the whole being recorded in the same way as the first interview.

The proposal for recording the child's evidence which I put before the Criminal Law Revision Committee, unsuccessfully, many years ago (before video recording was invented), has never gained professional acceptance, because it would make a considerable departure from traditional procedure. But this is an occasion when the lawyers must shake themselves free from tradition. There is no valid objection to the video recording of evidence, and everything to be said for it.

The author, a Fellow of Jesus College, Cambridge, was formerly Professor of English Law at the University of Cambridge.

Tribal rivalry adds to Kabul disarray

The circumstances and timing of President Babrak Karmal's sudden departure from office last week shed some light on the internal problems facing the Soviet-backed regime in Kabul.

Karmal effectively lost power in May when his younger colleague, Dr Najib, took over as secretary-general of the ruling PDPA (People's Democratic Party of Afghanistan). Najib was angered by the series of pro-Karmal demonstrations in the capital and suspected Karmal of encouraging his supporters to voice their resentment of the changeover.

Since May latent rivalry between supporters of opposed PDPA factions has erupted into open confrontation in Kabul, with many gunfights and bombings, most by the Khalq faction of the PDPA rather than the Afghan resistance. One recent car bomb almost killed a Soviet VIP.

The small Marxist party, formed more than 20 years ago, divided into two factions, Khalq (masses) and Parcham (banner), largely because of the rivalry between the Pushtun or Pathan-based Khalq and the more sophisticated, wider based Parcham grouping. After the 1978 coup that overthrew President Daoud the Parcham faction soon lost power to its Khalq rivals under President Taraq and Hafiz Ullah Amin. The Khalq faction has not forgiven the Russians for the 1980 invasion and imposition of the Parcham-dominated regime led by Karmal.

Moscow's replacement of Karmal should come as no surprise. As a veteran Afghan left-wing MP and politician of some standing since the 1960s, he had served his purpose in leading some credibility to the puppet regime formed immediately after the Soviet invasion.

But Karmal proved unable to achieve major Soviet goals. He failed to heal the sharp divisions within the ruling party and, after almost seven years, had made little progress towards winning international recognition of the regime or in getting a peace settlement satisfactory to Moscow.

As for the anti-guerrilla war, the Afghan army's performance has been so poor that unless morale and discipline improve the Kabul regime will remain dependent indefinitely on a heavy Soviet military involvement at present the 115,000 Soviet troops outnumber Afghan regular forces. Dr Najib, former director of Khad, the powerful KGB-trained Afghan secret police, is a very different type from Karmal. He has the confidence of the Soviet advisers who pull most of the strings in Kabul, as well as the backing of Khad.

He has proved to be far more energetic than the ailing Karmal, flying to many provincial centres to rally support, and has tried to put new vigour into the task of crushing the guerrillas. During his work with Khad, Dr Najib learned a lot about the



Najib: a tricky balance

techniques of counter-insurgency and the infiltration of Afghanistan's tribal and rural society. A Pushtun from the border province of Paktya (facing Pakistan's North-West Frontier province), he has had some success in winning over Pushtun (Pathan) tribes on both sides of the frontier. Pushtuns form the biggest nationality or ethnic grouping in Afghanistan and have long provided the rulers in this land of diverse races and languages. Above all, Pushtun tribes control the crucial Afghan border region with Pakistan.

Increased tribal co-operation and Soviet air surveillance has either blocked or made very dangerous some of the key border routes into Afghanistan. It has sharply increased the logistical difficulties of the guerrillas in

sending in arms and supplies to continue fighting.

Under Dr Najib there are signs of a distinct shift towards emphasizing the Pushtun nature of the regime. This is seen in its propaganda and greater use of the Pushtu language in the official media. Promotions to senior party posts have gone mainly to Pushtuns, some of them close allies of Dr Najib, while some important figures have lost out recently: notably the former defence minister, General Abdul Qader, a Tajik from Herat, who still has strong military links. In October he became ambassador to Poland.

These changes may be designed to appeal to alienated members of the party's Khalq faction, as well as some Pushtun nationalists, both trends are well represented in the Afghan armed forces.

At the same time, this heavy Pushtun emphasis seriously risks upsetting the many non-Pushtun members of the PDPA: Tajiks, Uzbeks, Hazars and others. Already facing strong opposition from the resistance, and with a claimed party membership of only 155,000, the PDPA can scarcely afford further internal divisions, but this seems to be the most likely result of upsetting the delicate balance of ethnic power within the party.

Anthony Hyman
The author's book, *Afghanistan Under Soviet Domination 1964-83*, is published by Macmillan.

Digby Anderson

Feeling the pulse of America

New Orleans
Here they have to bury the dead high but he did feel good. Marathoning was one of the four bases of a healthy life, the others being clean air, uncontaminated nutrients and trust in God. He was in town for the ophthalmology conference. There were, someone else said, 18,000 ophthalmologists loose. There certainly were a lot and you could watch as well as hear them: in St Louis cathedral listening to the archbishop explaining what the faithful should do about the Pope on his visit next year ("Love live the Pope?"); in the souvenir shops buying aprons emblazoned "Creole food - hot peppers make hot lovers"; in sober blazers, red ties and black trousers, gazing in at the jazz bars on Bourbon Street, their long veined bottoms twitching restrainedly to the beat.

Pairs of senior ophthalmologists who had managed to swing free trips for their wives, the ladies squeezed into shorts and all four trying to maintain conversation and progress past tap dancing black boys and a lady touting for restaurant customers in a vast but elegant crinoline, from the beam of which protruded, usually vast but very dirty running shoes.

One knew they were ophthalmologists because they helpfully kept on their badges, each with name and conference designation. Some, it is true, were not full ophthalmologists. One complaining about the spicy Cajun food in a restaurant was labelled not "doctor" but "health professional". Boy, that shrimp was so spicy she couldn't finish it. But she was glad she had chosen it and not the crayfish. At least she could have eaten it if it hadn't been so spicy but goodness knows how you eat a crayfish in its shell. "Could I have another Diet Coke with my shrimp?"

Are you bored with the health professional's concern to eat at exotic restaurants without actually eating anything exotic, the deepening of relationships to fit the designs of cassette counsellors and the running obsessions of aging ophthalmologists? Then turn your chair a little: the lady at the next table is describing her operation. Tilt back and there is a 20-minute saga about career trajectories and divorce with full personal details, and someone, unseen, has just bought his 47th home in 20 years. His wife says if he moves again, to send a forwarding address - she'll leave him. Why anyone should be thinking to ask what America is thinking, I wouldn't know. The author is Director of the Social Affairs Unit.

He had even brought back some tapes from the seminar on relating to play on the car stereo when they were driving to Nashville but she wouldn't let him put them on. She didn't seem interested in deepening their relationship. He was hurrying badly and so, he thought was Susie. He wondered if his business colleague, to whom he was relating this saga, would care to accompany him to the next seminar. He would be glad to. They both should have taken up marathoning. The man in the airport shuttle at New Orleans did 20 miles every Sunday and after the first three hours did he feel

the first three hours did he feel

about it mightily; if he gets a bad one, he dismisses it as the ramblings of an inconsequential and vindictive hack. I think it is quite wrong for Other-Author to have it both ways.

But that is not the point. I wanted to describe C.R. Ittck to you, with a view to causing him pain, and I shall now do so. He has the nearest condition that a man can acquire to pregnancy, which has been brought about by a lavish expense account. He has to pull his shoulders back as a counterweight to the burgeoning belly, and hold his feet at an angle of ten-two in order to make the whole assembly roadworthy.

The other thing about him is that he is the most dreadful scrounger. I believe that he regards life as a treat in which he enjoys the prerogative of the first-class compartment. The rest runs as follows: I (Ittck) represent the licensed sampler of excellence in all its forms. Accordingly, I shall travel first-class to every literary junket. However distant, that invites me; above all, I will turn out of an evening to ingest critically the latest servings of the Roux Brothers; but all this I will do in order to service the trickle-down theory, which dictates that the quality of goods enjoyed by the rank and file depends on the quality of those at the top end of the market - in the same way that the family saloon is affected in due course by the development of the Formula One racing car; the only constant principle is this: if luxury, or hedonism, or any of their related gifts, are on offer, I demand the right of first refusal.

The other day I put this theory to a fellow-sufferer at C.R. Ittck's hands. His first reaction, like that of Other-Author, was to wonder why on earth I was spending all this breath on the denunciation of someone who was unworthy of such attention. I then expounded on the theory of the train-a-life-vis-a-vis C.R. Ittck, and my friend replied, as quickly as you please: "Maybe, A.N., but he didn't have to take the entire coach, did he?" I suppose that a creature such as Ittck never really deserved the space which I have accorded him here, until I think of the number of words that he has spent on me. I await with interest Other-Author's reactions to what I have just written. I suspect he will be full of magnanimity towards C.R. Ittck and his dubious functions, and very ready to attribute the basest of motives to me. However, once Other-Author's next novel comes out (if ever it does) and Ittck gets his hands on it, I expect all that will change.

Miles Kingston is in Burma.

A.N. Author

Knife twist with a difference

I want to tell you today about my enemy, C.R. Ittck, who over the years has delighted in doing to me and my work what I am now about to do to him. I have thought long and hard about the merits of dignifying him through the means of public abuse. I have debated the matter with my best friend, A.N. Other-Author, who counselled me against such a course, but I have ignored his advice.

C.R. Ittck first came into my life when he delivered 854 words (I counted them all out and I counted them all back) of sustained damnation on my first novel, *The Soul of Mrs Saxby*, a "torrid chronicle of amorous fantasy in the suburbia of the late 1970s" (Sucker and Windbag, £5.95 - remainderd copies still available from A.N. Author for the price of a pint) in one of the "quality" dailies.

Other-Author's argument was that in the very act of deprecating a critic, you do obeisance to his influence. I take the point, but you see, this man Ittck is such an out and out swine that these niceties become academic.

I happen to know that Ittck himself had attempted a novel along similar lines; this much I gathered from one of his many disaffected girl friends, who promised that she would file the manuscript for me, from the bottom drawer of his desk, where it presumably still languishes like a completely unviable whale. It is one of the great chagrins of my life that she has not yet delivered.

In punishing me for my admittedly modest initiative Ittck was at the same time atoning for his own frustrations, and for this I will never forgive him. I have his review in front of me now, which is suitably yellow with age: "Author's portrayal of middle-age desire bears the stamp of one for whom all positive impulses have been subsumed by cynicism." He should know.

The greatest irony of all this is that I should now be writing about a man whose failure as an author was the single thing most responsible for his power over the likes of me. One of the reasons for which I ignored Other-Author's advice was that everyone in the business seemed to be so affected by Ittck's judgements. He had merely to touch his forelock in the direction of an embryonic Amis and the young man's reputation was made; he had but to dismiss the meanderings of a late Kingsley and the old man's standing lay in shards.

One result of this has been to engender a really terrible duplicity in Other-Author: if he receives a good notice from Ittck, he pretends



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BARCLAYS FLIES NORTH

"The Eagle Has Landed" was the somewhat unfortunate logo of a recent Barclays Bank advertising campaign in South Africa. It is safe to assume that in Johannesburg yesterday Sir Timothy Bevan's decision to sell off British interests in the bank at a bargain basement price to South Africa's giant Anglo-American Corporation was dismissed as "the chicken has run".

South Africans have become inured to the growing tendency of American-led multinationals to depart in response to a combination of international hostility and South African recession. But Barclays is in a different category to General Motors, IBM and Eastman Kodak.

As the biggest bank, and one of the oldest, in South Africa, it has played a long and vital role in the country's economic development. Even today it remains the largest financier of South African agriculture. But the shock goes deeper than that. There was always a sense in Johannesburg that British businesses, because of their greater understanding of the country through political and financial ties stretching back to colonial times, would be among the last to quit the South Africa.

That illusion has been shattered not by a sudden onset of virtue in the City, but because of the international character of banking today. Barclays is deeply involved in the competitive world of Ameri-

can finance where its South African ties have not been helpful. Third World pressure, too, meant that it paid for its South African presence with the loss of large and significant international loans. It is a price which the bank was no longer prepared to pay. So Barclays, like its American counterparts, has turned an economic necessity into a political virtue.

Just how virtuous it should feel, however, is open to question. True, it is withdrawing its funds at the derisory financial rate while sacrificing dividends at the much higher commercial rate. It is equally true that the financial assistance given by other divesting multinationals to enable South African management to purchase their companies has meant the short-term inflow of foreign capital. And the purchase of assets at bargain basement prices will mean invisible savings for the South African economy.

But the inflow of capital will be short-lived. As a developing country, South Africa needs access to foreign capital in the long term if it is to grow at the rate essential to employ, house and feed its growing black population and to introduce greater economic equity through both the marketplace and government welfare.

If these are losses over the long term, however, it will take only a short while before black employees in formerly multinational companies begin to feel the loss of aggressive

promotion schemes, fair employment codes and eventual jobs. South African management, relieved of the need to follow expensive social responsibility programmes, will now be likely to trim staff and wages in search of high productivity and profits.

Barclays has long been one of the better employers in South Africa, actively training and promoting black workers to senior positions. It has also taken substantial profits out of the country. If its fair employment practices are not to be seen with hindsight as hypocritical conscience money paid to soothe world opinion, it could acquire a little real virtue by plowing back some of those profits into assisting the black workers who will be hurt by its departure.

Taking a leaf from the book of those multinationals which have elected to remain, it could do worse than establish a trust fund to be used in the critically important areas of non-segregated housing, black teacher training, private non-segregated schools and black advancement in the informal business sector.

It was probably inevitable that the bank's international exposure and vulnerability to pressure would compel it, in the interests of its shareholders, to cut its South African ties eventually. But if the Barclays eagle has flown, a true concern for the interests of black South Africans requires that it leaves something more behind than a barren nest.

Awacs merits in airborne warning

From Mr Ben P. Pamplin
Sir, The key point Sir Woodrow Wyatt missed in his article, "Why it must be Nimrod" (November 23), is that an airborne early warning (AEW) system should provide the earliest possible warning of attack. The E-3 Awacs (airborne warning and control system) flies higher, stays longer and looks further than any other airborne warning system. The resulting extra 10 minutes of warning is absolutely critical in air defence.

The key to this capability is the aircraft's powerful and accurate Westinghouse radar, with its large antenna and ability to see targets clearly at very long range and to discriminate between targets and clutter.

Boeing's 707 airframe was chosen so the radar and operating system design need not be compromised by airframe size and weight limitations unlike competing AEW systems. Continued performance improvements can be easily accommodated by the 707.

GEC's interest in the Lockheed Hercules for export sales is noted. But use of the Hercules airframe would entail very large further development costs and the prospect of viable export business on this basis must be very remote.

By contrast, Boeing's 130 per cent offset commitment to the British Government would be a contractual requirement to place high technology work throughout

a broad spectrum of British industry. Boeing and Westinghouse have demonstrated their capability consistently to meet and often exceed their offset commitments.

Through the offset programme British industry will be given the most competitive and favoured entrée ever into the US defence and high-technology markets. Boeing will share with its British associates further export opportunities for the Awacs, some of which are already well advanced, with three other governments currently discussing the purchase of Awacs.

Rather than selling Britain's bright, as Sir Woodrow Wyatt suggests, the proposed new Anglo-American technical partnership will give a powerful stimulus to Britain's technological base. The Plessey/Westinghouse relationship, for example, is likely to set new standards in world radar technology.

A similar pattern will be repeated with many UK manufacturers throughout the country. This will soon be reaffirmed by the thousands of new jobs created by the offset programme should the Government choose the E-3 Awacs with its proven performance and reliability.

Yours faithfully,
BEN P. PAMPLIN,
Vice-President, London,
Westinghouse Defense
International,
26 St James's Square, SW1.
November 21.

History lesson to bear in mind

From Dr Martin S. Alexander
Sir, I am interested in the new Institute of Contemporary British History mentioned in your leading article of November 3.

Initiatives intended to strengthen history's provision and status in school and university curricula, as well as providing a fresh forum for exchange of information or interpretation, widen access to the discipline and understanding.

Two additional remarks seem necessary at this stage. First, I should wish to sound a cautionary note about excessive further specialisation in the recent history of this country in isolation. As it is, worrying evidence exists that school and university departments and syllabuses are already predominantly concerned with British history (even if this is far from exclusively contemporary British history).

Measures which serve only to underline this existing emphasis, to the detriment of the study of the affairs of continental Europe and the wider world, would cause deep disquiet in much of the historical profession at a time when computerised communications, easier and faster travel, and the "shrinking globe" point to the value for us all to enhance our understanding and sympathy with histories, societies and cultures beyond these islands.

Secondly, your leader asserted critically that the contemporary past (which you defined as stretching from the day before yesterday to 30 years ago), is "ill served by historians... and ill considered by history students". The professional and responsible historian must object that the great bulk of primary sources on this "twilight zone" is hidden from him by the curtain of the "30-year rule", inhibiting our access to the Government archives on which we shall depend in substantial measure for "objective and balanced" studies of the kind you exhort us to produce.

There is, to my certain knowledge, no shortage of scholars hard at work researching and writing on the 1950s. To this, I wager, the queues at the Public Record Office seeking Suez crisis papers next January will amply bear witness.

To hasten scholarly studies of times more recent still you should, I submit, direct your strictures not at the historians but at the office of the Lord Chancellor, ministerial custodian of policy towards "public" records.

Yours faithfully,
MARTIN S. ALEXANDER,
University of Southampton,
Department of History,
Southampton,
November 23.

Financing the NHS

From Dr M.J. Weston
Sir, The politicians tell us that doctors and nurses control 63 per cent of NHS costs and that a 1 per cent reduction in this would give another £70 million per annum; on the other hand, the cupboards in the Guy's casualty department are empty of slings (reports, November 5). How much more blood does the Government think can be squeezed out of the NHS stop?

The Mid Essex Health Authority is trying to find ways of financing centralization of its hospital services on one site at Broomfield, and a year ago I made a proposal to purchase the Chelmsford and Essex Hospital, giving the authority the extra funds that it needs and the chance for a proper sharing of buildings and manpower.

A year later, still nothing has happened. Morale in the Chelmsford and Essex Hospital has fallen with the uncertainty about its future, and talented and trained nurses have drifted away.

Opportunities to inject capital into the NHS from outside must not be lost. There is nothing further to be squeezed out of the service as it now stands without further reduction in patient care.

Yours faithfully,
M. J. WESTON,
Chelmsford & Essex Hospital,
London Road,
Chelmsford, Essex.
November 5.

Diplomatic immunity

From Mr J. G. W. Thring
Sir, Last night's BBC2 programme highlighting abuse of diplomatic immunity in London, CD - Beyond the Law, demonstrates again, should that be necessary, the ineptitude of the Foreign Office.

To suggest that the community at large may have to suffer for the benefits bestowed by the principle of diplomatic immunity is possibly so, but to expect individual citizens to bear the brunt is grossly unfair.

A solution to the effects might be that the British Government be financially responsible for the results of the appalling behaviour of some foreign diplomats. Should a foreign diplomat or government not be prepared to surrender to the jurisdiction of the British courts, then they should be tried in absentia and if found guilty any damages awarded should be paid by the British Government. This might make the Foreign Office wake up to the problem and take action.

It would be interesting to know if British diplomats violate their host governments' laws around the world.

Yours faithfully,
J. G. W. THRING,
Rosslyn House,
Dormansland, Surrey.
November 15.



ON THIS DAY

NOVEMBER 25 1791

The marriage was between Frederick, Duke of York, the second of George III's nine sons, and Frederika, daughter of Frederick William II, King of Prussia (1744-1797).

DRAWING-ROOM

As we predicted, the DRAWING-ROOM yesterday at St James's was crowded with all the Nobility, elegance, beauty and fashion in town, and appeared not at all inferior to the most brilliant assemblage we have ever witnessed there.

The cause certainly justified the magnificence of the scene. The marriage of one of the expectant heirs to the British Diadem, with the consent of the Court, and the universal approbation of the public, was something new in the present reign, and the MAJESTIES have every domestic reason to rejoice in the event, and the public consider the near relationship, by which the interests of this country are now connected with those of Prussia, a most happy circumstance, it is but natural to suppose that all parties would unite in paying their compliments of congratulation to the Sovereign and his family.

The Ladies, it being the RIGHTS OF WOMEN so to do, decked themselves out on this bridal occasion, in all that could tend to captivate the surrounding circle, and gain the attention of their new made illustrious fellow subject.

"By art of elegance and polished show". Nor did this attention pass unheeded. Her Highness looked round with astonishment, but not with envy, at a selection of female beauty not to be paralleled in any other Court of Europe...

THE DUCHESS OF YORK
...The Princess is below the middling stature; her complexion delicate and pure clear; her person rather inclined to the thin point; but perhaps this is owing to her not wearing such tight stays as the English Ladies; her countenance, though not regularly beautiful, is animated and interesting, and she has good eyes. Her manners appear to be very amiable, and she shows a great share of good-nature in all her actions.

Her Royal Highness's dress was extremely costly, and she was profusely ornamented with diamonds. The body and train were of white satin, embroidered with silver spangles and trimmed with a silver fringe and deep point lace. The petticoat was of white crêpe simply embroidered, with silver spangles and full stones in ears and shells, and trimmed with a rich silver tasselled fringe round the bottom. Over the petticoat was a drapery embroidered the same as the petticoat. The dress was further ornamented with festoons of white satin roses and silver oak leaves. Large bouquets of white roses and silver wheat-ears hung over the drapery, and were tied up with silver cord and tassels.

On the whole, her Royal Highness's dress was more magnificent than tasteful, for it appeared over-laden with embroidery.

The jewellery worn by her Royal Highness was extremely costly. It consisted of a very superb necklace of pearls in large festoons, elegantly fastened together in three places with large brilliants of great value; her Royal Highness wore likewise a large bouquet, composed wholly of diamonds, which we understand Mr. Jefferies, the jeweller, sold to the KING OF PRUSSIA...

LADY ASHILL
Was by far the most elegant and best dressed Lady at Court; she wore a white satin dress, richly ornamented with gold and silver velvet. Over the petticoat hung wreath of oak leaves and acorns, and the bottom was trimmed with a rich tasselled fringe...

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From the Headmaster of Queen Mary's Grammar School, Walsall
Sir, Your leader, "A question of sport" (November 17), failed to mention that success in competitive teamgames is not possible without cooperation and unselfishness. These are educational benefits which the anti-team sports lobby would do well to ponder.

Yours faithfully,
K. G. HOWARD, Headmaster,
Queen Mary's Grammar School,
Walsall, West Midlands.

Murky waters

From Mr Val Sharmán
Sir, It would seem that England is more fortunate than Germany in the matter of river pollution (Dr J. J. Grant's letter, November 15).

In my junior geography class of yesterday in Lincolnshire we were made to chant the following dirge: The Witham, the Welland, the Neze, Ouse and Glen Are five British rivers that flow through the Fen.

They are, we are told, As clean as can be, Since they go through the Wash Before reaching the sea.

Not perhaps up to the standard of Mr Colveridge, but we do seem to have an advantage over the unfortunate Rhine dwellers.

Yours faithfully,
VAL SHARMAN,
119 Manor Road,
Mitcham, Surrey.

TO FIGHT ANOTHER DAY?

that strength at the weekend, President Aquino was leading events, or merely reacting to them, however, is open to question.

In removing her Defence Minister and chief rival for power, Juan Ponce Enrile, she has conceded that the consensus which brought her to power is beginning to break down. She may have eliminated a host of potential problems. Mr Enrile's hand was seen behind many of the adverse developments of recent weeks. But she may also have stored up difficulties for the future. Mr Enrile now owes no allegiance at all to the Aquino government. He may prove more dangerous outside the government than within it.

President Aquino still has much running in favour of her administration. The tide of popular goodwill on which she rode to power has not abated. That much was apparent from the reception she was given when she announced her move against Mr Enrile. The Catholic Church, a powerful influence in the Philippines, is still on her side - though less unquestioningly perhaps than before - and she has judiciously cultivated it.

Most important, she continues to command the sympathy of most of the armed forces. They had a clear choice at the weekend between Defence Minister Enrile and President Aquino. General Ramos, the Chief of Staff, came down on

the side of Mrs Aquino and effectively kept her in power.

The price for this support remains to be seen. If it includes, as it appears to, a pledge by the President to break off talks with the communists unless they produce results, the army's misgivings about compromising with the insurgents will have been partially answered. The attraction of Mr Enrile's position will be diminished, and bored soldiers whose attention might otherwise be diverted into politics will be dispatched once more on counter-insurgency missions.

Abroad, the Aquino government's fortunes are still mixed. In granting additional aid to the Philippines, the United States has expressed its confidence in the new government. It has also given political support to Mrs Aquino in carefully timed disclosures about Mr Enrile's financial dealings. But Mrs Aquino's recent visit to Japan yielded little financial assistance and little political assurance. The most important economic power in the region seemed to be unwilling - as yet - to invest too heavily in a government still feeling its way.

The removal of Mr Enrile means that President Aquino has one less obstacle to pursuing the policies on which she came to power and one less excuse for departing from them. The future of the Philippines is now, more than ever, her responsibility.

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Role of warships

From Mr Hugh Hanning
Sir, Today's excellent letters by Lord Hill (November 18) and J. Freeman (November 18) stand well together. With luck, we could be on the brink of an overdue debate about not only the best kind of ships for the Royal Navy but also precisely what the Navy is for in the 1990s.

That debate surely belongs to the Foreign Office; but its defence department is too busy with arms sales and related matters to discuss strategy. "These ambassadors expect a frigate over every bloody horizon", one head of the Ministry of Defence complained to me. He meant that they give the Armed Forces 10 minutes notice in a crisis instead of 10 years.

My own belief is that in an era of East-West miscalculation outside Europe, there is a global role for Royal Naval ships in dispelling that miscalculation wherever it may arise. The Endurance showed

in the Falklands that one warship can make the difference between war and peace, and it could happen almost anywhere. For this political role the traditional blue-water escort is not particularly suited, but the short/fat vessel could be, especially if it is cheaper.

It may be that only the North Atlantic makes sense for the Royal Navy; but it is surely a terrible waste of an opportunity to conduct this expert controversy without identifying a peacetime as well as a wartime strategy into which to fit it.

Some in the Ministry of Defence blame the Navy for this lack of clear thinking. I personally don't, because defence should be the servant of foreign policy. But can we just have some agreement on whose job it is?

Yours faithfully,
HUGH HANNING,
18 Mountpelier Row,
Blackheath, SE3.
November 18.

Reactor safety

From the Managing Director of the Central Electricity Generating Board
Sir, In the light of your report (November 19) that the Select Committee on Energy is to inquire into allegations, made in *The Times* of November 6, about the safety and costs of the Magnox nuclear power stations, your readers should know that work is now well in hand on developing equipment and procedures to remove and replace the two standpipes affected by corrosion in Reactor No 1 at Hinkley Point A, should that prove necessary.

In a statement published on June 13 last the Central Electricity Generating Board said it had the agreement of the Nuclear Installations Inspectorate to continue operating the reactor, provided the two standpipes were inspected again before the end of the year.

Both services are being utilised and there is obviously a place for both such services in most large cities, especially if there is any degree of a drug-abuse problem.

Whilst the urgency for establishing such a clinic in Edinburgh was the problem amongst drug abusers I would urge other centres to consider setting up similar clinics before the virus becomes a problem in their drug abusers since this is an important educational measure for "at-risk" individuals.

Yours faithfully,
R. P. BRETTELL,
City Counselling and Screening Clinic,
City Hospital,
Greenbank Drive,
Edinburgh.
November 18.

Records on tape

From Mr R. J. M. Perring
Sir, Mr Patrick Isherwood (November 17) has done us all a service in pointing out the risk that Bernard Levin's latest book (*In These Days*) may be subject to illicit photocopying. Surely the logical way to prevent Mr Levin and other owners of copyright from suffering the deprivations brought about by such piracy is to impose a levy on the sale of all paper, to be paid over to the Society of Authors.

While we are about it, should we not also have a levy on all tools and implements which might be used in housebreaking? to be paid to the insurance companies?

Yours etc,
R. J. M. PERRING,
27 Park Drive,
Inghinstone, Essex.
November 17.

From the General Secretary of the British Evangelical Council
Sir, I have no doubt that the music industry is losing revenue by illegal copying of recordings tapes as other correspondents have indicated in response to Mr Bernard Levin (November 10).

No one, however, has drawn attention to the extensive use of these cassettes by churches for recording Sunday services. They are then listened to at home or

used as a teaching medium for the Christian faith in house groups.

As presently envisaged churches would be required to pay the levy on blank tapes and then reclaim it on proof of innocent use. They will be lending their money to the levy agency until such time as they deem fit to return it, with any interest presumably going to the music industry. But if designated organisations like churches can be authorised to reclaim the levy, surely they can be authorised not to pay it in the first place.

Or perhaps the levy agency is planning to include preachers like me alongside Andrew Lloyd Webber and Madonna as those who will benefit from the money raised?

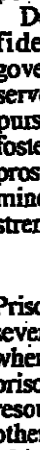
Yours hopefully,
ALAN F. GIBSON,
General Secretary,
British Evangelical Council,
113 Victoria Street,
St Albans, Hertfordshire.

From Mr Jim McCue
Sir, David Best (November 15) is right to complain of the quality of pre-recorded cassettes.

Does the record industry object to those who, having bought an LP for its quality, transferring the music to cassette for listening to in a car? Yours faithfully,
JIM MCCUE,
32 Holmeview Ridge,
Langton Green,
Tunbridge Wells, Kent.



President Corazon Aquino

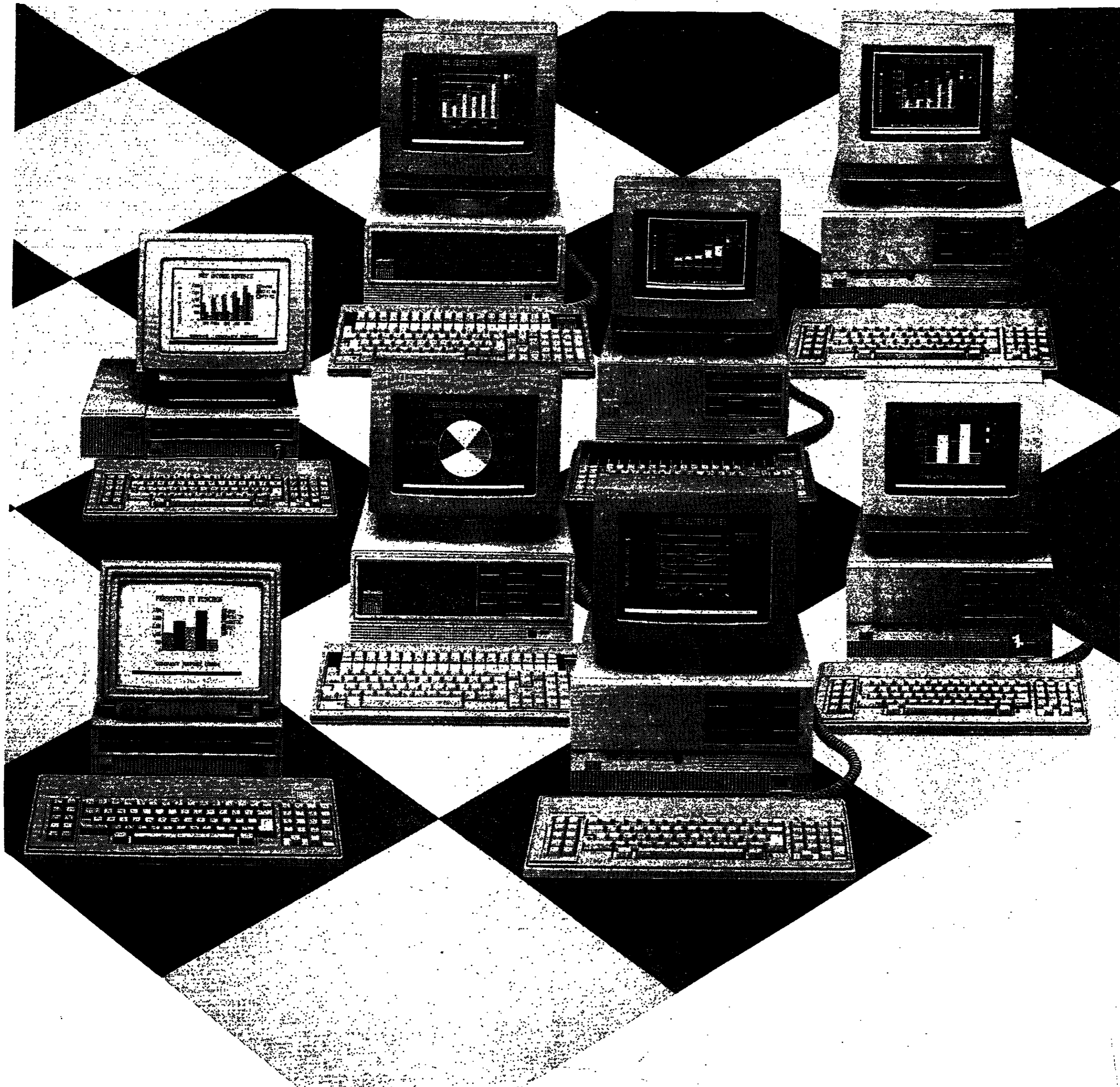


Mr Patrick Isherwood



Mr Bernard Levin

People's Party likely to scapegoat...
The marriage was between Frederick, Duke of York, the second of George III's nine sons, and Frederika, daughter of Frederick William II, King of Prussia (1744-1797).
DRAWING-ROOM
As we predicted, the DRAWING-ROOM yesterday at St James's was crowded with all the Nobility, elegance, beauty and fashion in town, and appeared not at all inferior to the most brilliant assemblage we have ever witnessed there.
The cause certainly justified the magnificence of the scene. The marriage of one of the expectant heirs to the British Diadem, with the consent of the Court, and the universal approbation of the public, was something new in the present reign, and the MAJESTIES have every domestic reason to rejoice in the event, and the public consider the near relationship, by which the interests of this country are now connected with those of Prussia, a most happy circumstance, it is but natural to suppose that all parties would unite in paying their compliments of congratulation to the Sovereign and his family.
The Ladies, it being the RIGHTS OF WOMEN so to do, decked themselves out on this bridal occasion, in all that could tend to captivate the surrounding circle, and gain the attention of their new made illustrious fellow subject.
"By art of elegance and polished show". Nor did this attention pass unheeded. Her Highness looked round with astonishment, but not with envy, at a selection of female beauty not to be paralleled in any other Court of Europe...
THE DUCHESS OF YORK
...The Princess is below the middling stature; her complexion delicate and pure clear; her person rather inclined to the thin point; but perhaps this is owing to her not wearing such tight stays as the English Ladies; her countenance, though not regularly beautiful, is animated and interesting, and she has good eyes. Her manners appear to be very amiable, and she shows a great share of good-nature in all her actions.
Her Royal Highness's dress was extremely costly, and she was profusely ornamented with diamonds. The body and train were of white satin, embroidered with silver spangles and trimmed with a silver fringe and deep point lace. The petticoat was of white crêpe simply embroidered, with silver spangles and full stones in ears and shells, and trimmed with a rich silver tasselled fringe round the bottom. Over the petticoat was a drapery embroidered the same as the petticoat. The dress was further ornamented with festoons of white satin roses and silver oak leaves. Large bouquets of white roses and silver wheat-ears hung over the drapery, and were tied up with silver cord and tassels.
On the whole, her Royal Highness's dress was more magnificent than tasteful, for it appeared over-laden with embroidery.
The jewellery worn by her Royal Highness was extremely costly. It consisted of a very superb necklace of pearls in large festoons, elegantly fastened together in three places with large brilliants of great value; her Royal Highness wore likewise a large bouquet, composed wholly of diamonds, which we understand Mr. Jefferies, the jeweller, sold to the KING OF PRUSSIA...
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VAL SHARMAN,
119 Manor Road,
Mitcham, Surrey.



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Desktop finally comes of age

This month could well be remembered as the one in which desktop publishing, or DTP as it has been dubbed by the industry, moved from the world of fad to an established sector of the computer industry.

DTP is generally understood to be the business of getting people to produce entire business reports and newsletters using a personal computer, special software and a high-resolution laser printer.

Big microcomputer hardware and software firms such as Apple, Apricot, Microsoft and Dataproducts have been falling over one another in recent weeks to make clear their commitment to this growing niche market.

Numerous seminars and desktop publishing shows have resulted. The British firm Apricot is the most recent entry with its desktop publishing systems based around the Apricot Xen-i PC. Apricot believes so heavily in the importance of DTP that it has established a new division devoted entirely to packaging and selling such systems.

"The PC desktop publishing solution will revolutionize document production in the same way spreadsheets revolutionized financial planning a few years ago," claims John Leftwich, director of the new division.

Apricot's system - like those from Apple and others - starts at about £6,000 for a setup that includes a Xen-i

THE WEEK

By Geoff Wheelwright

computer with laser computer printer and desktop publishing software.

Despite the excitement desktop publishing has generated among manufacturers and software companies, it is not clear yet whether there is the same degree of interest among the general computer-buying business community.

Some in the computer industry - notably those adopting a cautious approach to DTP - suggest that desktop publishing will be a very short-term market, until companies traditionally involved in the word-processing software market get round to putting DTP-style features in their applications.

To some extent that has already happened, with Lotus, Microsoft and Micropro all announcing laser-printing and DTP-style support for all their new word-processing packages.

But some, such as Microsoft, are hedging their bets by supporting DTP as well as new high-powered word-processors.

Microsoft last week announced a deal with Aldus UK to try to establish a desktop publishing standard for the IBM PC and lookalikes, such as the Amstrad PC1512.

The centrepiece of the agreement is to promote the use of Microsoft's Windows picture-oriented operating system with the PC version of Aldus Pagemaker desktop publishing software.

"We estimate that over the next 12 months, no fewer than 20 different manufacturers will announce DTP systems," says Microsoft marketing manager Fiona Kelly.

Ironically, the biggest competition Microsoft will face is the Apple Macintosh implementation of Pagemaker which has, so far, virtually been a runaway success for both Apple and Aldus, helping to restore financial health to a once-troubled Apple and making a name for Aldus as the software leader in the DTP market.

Events

Micros in Design, Design Centre, Haymarket, London SW1, now until December 19 (01-838 8000)

People and Technology, Queen Elizabeth II Conference Centre, Westminster, London, today until Thursday (01-727 1929)

CIMAP - Factory automation, National Exhibition Centre, Birmingham, December 1-5 (01-891 3428)

Interactive Video, Metropole Hotel, Brighton, December 9-11 (01-847 1847)

High Technology in Education, Barbican, London, January 21-24 (01-608 1161)

Videotex User Show, Barbican, London, January 28-30 (01-608 1161)

Dexpo Europe, Olympia 2, London, March 3-5 (01-486 1951)

Computers in Retailing, National Exhibition Centre, Birmingham, March 11-13

Cadcam 87, Metropole Hotel, NEC, Birmingham, March 24-26 (01-608 1161)

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TRAINING

By Eddie Coulter

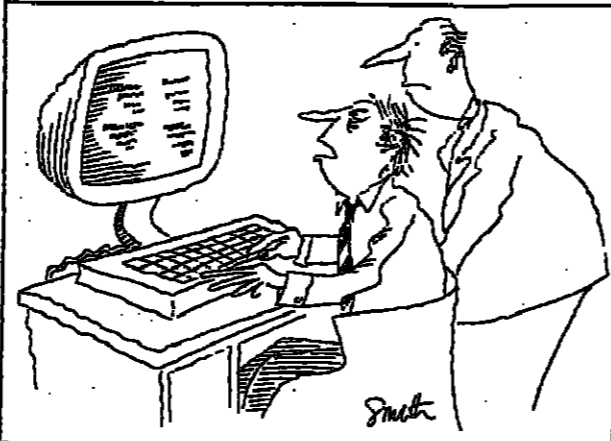
A new initiative, aimed at providing a formal training and career development programme for computer services staff, is being finalized by the Computing Services Industry Training Council, COSIT.

The move has been discussed with the British Computer Society, the Institution of Electrical Engineers and the Engineering Industry's Training Board.

Its aim is to provide a qualification standard of professional status in information technology similar to that of a chartered engineer.

A draft report outlining the scheme is being studied by a COSIT working party consisting of senior representatives of the computing services industry. After refinement, the recommendations will be circulated to the 200-strong membership of COSIT with the aim of official adoption by early next year.

It could prove to be a valuable standard for data processing as a whole, steered by the high quality software leader of computer services. Leading organizations are



"I've fed it all my qualifications and CV and all it comes up with is an endless list of dull offices"

represented through COSIT such as British Airways, Olivetti CAP, the Corporation of Lloyd's, Coopers & Lybrand, Digital Equipment, GEC, Logica, Plessey, STC, Thorn-EMI and the Trustee Savings Bank.

Adoption of a new formal business qualification providing letters after an individual's name has been sought for information technology staff for a number of years.

The nearest recognized qualifications that exist - membership of the BCS or the IEE - do not reflect the

mainstream activities of many of today's computer services people, particularly in software development and the associated management skills needed.

"The computing services sector has recognized the need to stimulate immediate recruitment and establish career standards for staff," says Gordon Ewan, director of COSIT.

Computing services is one of the fastest growing sectors of the economy generating £1.5 billion in revenue in 1985. Including autonomous

computing centres it employs 90,000 people.

The new training standard proposes a combination of formal and informal training, coaching and related work experience.

The scheme will be open to entrants of organizations which, in COSIT's opinion, provide the necessary environment to enable participants to receive the desired standard of training.

No specific educational qualifications will be needed, although the recommended programme is aimed to provide a certified standard at the end of four years considered achievable by participants of graduate level ability.

Technically, everything from computer languages through communications and data bases to expert systems and structured methodology will be covered. Progress will be monitored by COSIT with approved supervisors in companies and the maintenance of detailed working log books by participants.

Already operating a pilot grant-aided training programme backed by the Manpower Services Commission, COSIT hopes that the new professional programme may also attract MSC grant aid

Wang the younger becomes top man



Frederick Wang: strategy and products in line

Wang Laboratories has announced that Frederick Wang, the 36-year-old son of its founder, had been named president of the US maker of computers and office automation equipment.

An Wang, 66, the company's chairman and chief executive, has been serving as president since last year after John Cunningham resigned. Mr Cunningham was said to have left because he felt he had no chance to become chief executive since the younger Wang was widely viewed as his father's successor.

An Wang said he had no plans to retire and would

PEOPLE

continue active participation in the company as chairman and chief executive.

His son has been with the company for 14 years, most recently serving as treasurer, a post he will retain, and executive vice-president.

Wang Laboratories has been under pressure in the

hotly competitive computer business. During the last quarter it reported a £20 million loss. In the current quarter, Frederick Wang said: "We continue to see the quarter as a tight-demand marketplace, but it's a little too early for us to comment on results."

He added: "The key thing right now is that we've got our strategy in line and our products in line."

The younger Wang will take responsibility for all principal line functions, including

world-wide marketing, sales, service and support operations as well as manufacturing, treasury and research and development, the company said.

He is a graduate of Brown University and has held a number of management positions with Wang since he joined in 1972. He has been a director since 1981.

In its last fiscal year, Wang had revenues of \$2.64 billion. But it dreams of becoming a \$5 billion company.

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COMPUTER HORIZONS/2

Britain is lost without MAP

British machine tool makers are in danger of losing out to American products because their equipment is not compatible with differing high-tech devices...

The survey of 700 companies reveals a disturbing lack of knowledge of MAP (manufacturing automation protocol) throughout industry.

In America, General Motors, faced with the difficulty and expense of developing interfaces to connect varying brands of factory devices, initiated a system called manufacturing automation protocol (MAP).

The system is gaining rapid acceptance in the US and the corporation makes it a condition of business that suppliers of parts adopt such technology for their machines.

The specification is based on the concepts of the Open Systems Interconnection (OSI) seven-layer model.

STANDARDS

subject of continuing development by International Standards Organization (ISO) committees.

These interfaces are widely available from such companies as Intel and Motorola. When fitted, they add relatively little to the cost of a machine tool costing, say, £500,000, while greatly increasing the product's export potential.

According to the survey, many suppliers say they are waiting until MAP becomes "a stable product".

But the picture is not universally gloomy. Some of Britain's larger manufacturing companies are already in-

A survey just completed by the National Computing Centre and Amtec of 700 companies has revealed a disturbing lack of knowledge of MAP (manufacturing automation protocol) throughout industry.

Management responsibility tends to be split between manufacturing and data processing. MAP cuts across both. Individual departments should abandon the isolation attitude it has developed over the years, says the NCC.

Nevertheless, the general MAP picture is just as worrying among users - those companies which are, or should be, using computer-based manufacturing techniques to remain internationally competitive.

Management responsibility tends to be split between manufacturing and data processing. MAP cuts across both. Individual departments should abandon the isolation attitude it has developed over the years, says the NCC.

MAP can be incorporated into existing networks using gateways, but this needs to be done within the framework of a corporate communications plan. Without this, he says, companies could end up buying equipment which turns out to be totally useless in a few years' time.

The survey report concludes that training in implementing ISO standards has become a national priority if today's

students are to be able to help industry use such standards in the future.

Another protocol, TOP (technical office protocol), is now coming on to the scene. Initiated by Boeing, it is two years behind MAP in development but the US is trying to bring together TOP and MAP.

MAP has also become an important element of Esprit, the European-wide information initiative. Participants in the computer networks for manufacturing applications project - including British Aerospace, Peugeot, GEC, Siemens, Nixdorf and the Fraunhofer Institute in West Germany - are developing a working manufacturing system, based on MAP, to be shown at the Hannover Fair next year.

They are also planning to build such a system into the British Aerospace plant at Preston.

More imminent is the CIMAP event being held next month (December 1-5) at the National Exhibition Centre in Birmingham. The conference and exhibition programme will for the first time, in the UK, emphasize the relevance and place of advanced technology in the manufacturing and office environment.

Participants will include GEC, ICL, British Aerospace, Tube Investments, Ferranti, British Telecom and the NCC, together with a number of UK subsidiaries of US companies such as IBM, DEC and Motorola.

Details: For more information on CIMAP contact Independent Exhibitions, 154 Heath Road, Twickenham, Middlesex TW1 4BN. Tel. 01-891 3426.

Drawing a blank on protection

By Frank Brown

Proponents of the proposed levy on blank music tapes were not the only ones disappointed with the omission of new copyright legislation from the Queen's Speech at the recent opening of Parliament.

The Federation Against Software Theft (FAST) was also dismayed, but for different reasons. Even the Information Technology minister Geoffrey Pattie, the sponsorship minister for copyright, expressed his regret in a letter to the Confederation of Communications Industries (CICI) the industry-backed organization which liaises with the Government on copyright matters.

One of the 28 trade associations which belongs to CICI, FAST is opposed to the tape levy, but strongly believes that proposed copyright legislation contains much of vital importance to the computer industry.

FAST's chairman, Roger Tuckett said: "Intellectual property rights are crucial for the development and protection of UK high technology industries. Without effective copyright protection, UK jobs, investment and innovation will suffer," he warned.

The proposed blank tape levy would not solve the problem of software piracy, Mr Tuckett contended, because home computer users would be unlikely to distinguish between audio and computer tapes and would regard it as a licence to copy programs.

Many of the measures necessary to provide copyright protection for software are embodied in the Copyright (Computer Software) Amendment Act 1985.



Roger Tuckett: warning on UK jobs

FAST wants the burden of proof shifted to the defendant in criminal law because proving copyright can be a long, tedious and costly process involving identifying the people that actually wrote the programs. This often means going back to the country where it was written, usually the US.

In law, the fact that a company puts a piece of computer software on the market does not in itself prove that the company owns the copyright, to prove copyright, it has to identify each of the individual programmers, and prove that they were company employees at the time.

The copyright position of computer generated output like documents, drawings, programs and other works produced by computer, needs clarifying because present copyright law gives protection only to human authors.

A computer generated share listing, or a crossword puzzle produced entirely by a computer, for example, cannot be

said to have a human author.

The computer generated output issue also affects software packages, because artificial intelligence techniques may generate things that are valuable, and fourth and fifth generation programming languages may themselves produce computer programs without human intervention other than feeding in application requirements.

The need for copyright protection of microchip designs, says FAST, has been made necessary by the rapid development of technology. Hitherto they have been difficult to copy, because the actual chips are so tiny and, being encased in plastic, are virtually impossible to get at.

But now etching techniques are being used to overcome this difficulty. Although FAST sponsored the 1985 Act, it is collaborating with the Confederation of Communications Industries to press for the copyright legislation it wants.

PIRACY

levy, but strongly believes that proposed copyright legislation contains much of vital importance to the computer industry.

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Midland Bank logo

Fail-safe features keep the ball rolling

By Richard Sarson

The ex-Burroughs side of Unisys, the newly merged Sperry-Burroughs, has announced two fail-safe features on their A Series mainframes.

One they call the MirrorDisk, which writes all data on up to four disk units continuously, so that if one fails, the others take over automatically.

The other new feature makes it possible to change the shape of a communications

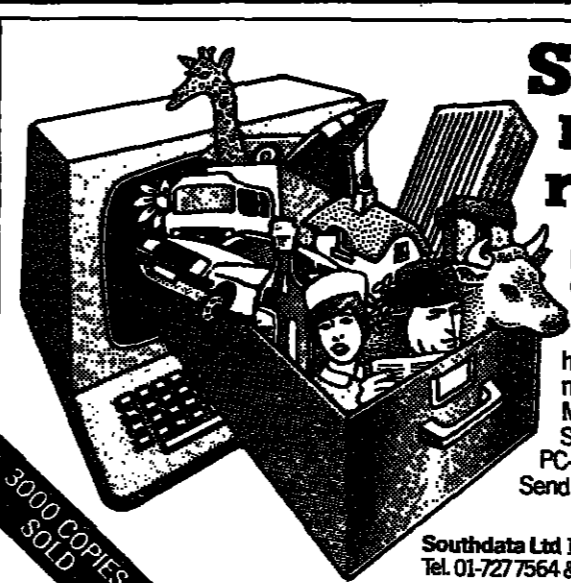
Easy installation is new feature

network, while the network is in use. Thus, new terminals can be installed without closing down the whole system.

The A Series is directed largely at financial markets, and the last few weeks in the City of London have demonstrated how important continuous running is to the financial community.

Unisys has also announced two low end models in the A Series, the A2 and A5. The range was originally announced in 1984, and now gives a range of power, in IBM terms, from the System 36 up to the 3090.

Unisys has sold the Sperry Aerospace Group to Honeywell for over a billion dollars subject to government approval. The aerospace group has a turnover of about \$700 million per year and employs over 9,000 people.



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COMPUTER HORIZONS/3

Important sounding titles can mislead

A cheaper way to spin a disc

Beware the job title. It is becoming increasingly known for some companies to create bogus but important sounding titles...

Knowledge of distribution beneficial but not essential. Salary £12,500 pa. Project manager for sales and marketing department of leading 'Y' manufacturer...



Mike Cordingley, Director of Personnel Resources Hoskyns Cray

Real project management involves defining the objectives of a project, and its effect on, and operation within, the organisational structure of a company.

Each project outside then requires a detailed plan which must establish the work principles and people involved, the schedules of implementation, structure of resources and facilities and also the costs of each activity level.

If the project itself is within the computer environment, then naturally an understanding of information technology and the IT life cycle is needed.

Bearing in mind that project management is a discipline within itself it becomes a function of responsibility within a job or the job itself.

"We tend to think of everything as a project," says Michael Cordingley, director of personnel resources at Hoskyns.

"All of our professional staff are given formal training in project management and may well be project managing whether they are a technical consultant, principal consultant or director of the company."

It appears therefore that the level of responsibility is what determines a project manager's salary. Thus with several years of DP experience and project management training you may find yourself as a project manager...

With four or five years project management experience you may be controlling up to 12 people and earning up to £20,000 per annum.

On the other hand you could go from project manager one moment to being part of a project team the next and still earn a high salary.

Depending on the type of project work, DP experience is less important than the management discipline experience of project management.

Training in project management is possible as part of a grant-aided scheme operated for computer services companies through COSIT...

JOBSCENE

By Eddie Coulter

company-responsibility differences, why such a disparity for what seems to be the same type of job? A glance at the requirements stated for such posts, reveals the answer.

"In our view, project management is very much a management discipline in its own right," explained Richard Smith, a managing consultant with Price Waterhouse.

Three jobs for three entirely different salaries and roles, yet all with the same title. Which is the project manager? The third job is without doubt. The second, maybe - or could equally be manager of marketing information systems.

Yet in a sense all three jobs require the management of projects. So is the title right or wrong?

UK Computer Press Awards sponsored by HEWLETT-PACKARD and THE TIMES

The winners of the UK Computer Press Awards, jointly sponsored by The Times and Hewlett-Packard, will be announced tomorrow night at Claridges.

Protest looms over chip prices

Under pressure from US government officials, the Japanese government has ordered Japan's semiconductor makers to raise sharply the price of chips they sell to Europe, Southeast Asia and South America.

Electronic yellow pages

For years, computer manufacturers have been talking about the imminent arrival of CD-ROM, compact discs that can hold more than 540 million characters of data in "read-only" memory.

Professor Donald Michie, left, is one of the gurus of artificial intelligence. He is also co-founder of Intelligent Termina, a software house specializing in AI software...

Shutting out terrorism

Computer installations are increasingly being seen as potential targets for terrorist attack judging by the sort of products available to protect them.

Crossing wires at Kodak

A newly hired Eastman Kodak worker in the state of New York has been accused of using a computer in his home to disable nearly 4,700 telephone lines feeding the company's largest manufacturing plant.

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Telephone: 01-624 8844.

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Norfolk County Council

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- Accounting History
- Auditing and Investigations
- Managerial Accounting and Control
- Accounting Information Systems
- International Accounting and Financial Management
- Social and Behavioural Accounting
- Public Sector Accounting

Applications (3 copies: 1 copy in the case of overseas applicants) should be received by the Academic Personnel Office, University of Glasgow, Glasgow, G12 8QQ, not later than 9th January, 1987, from whom further particulars can be obtained. Testimonials are not required, but the names and addresses should be given of three persons to whom reference may be made.

In reply please quote Ref.No.5840E

HAVANT BOROUGH COUNCIL
Borough Treasurer's Department
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POST NO. BT 150
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Applications are invited from persons, preferably possessing a full accounting, for the above post within the Accounting Section principally responsible for the preparation of the accounts and budgets of the Council's Direct Labour Organisation.

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Local authority experience would be an advantage but anyone with the qualities we seek is welcome to apply. For further details and an application form please contact the Personnel Officer, Civic Offices, Station Road, Addlestone, Weybridge, Surrey KT16 2AH (Tel: Weybridge 45500, ext. 218). Closing date: 12th December, 1986. Subject to availability of appointments, interviews will be held on 15 December 1986. Ref: 367/85.

Runnymede Borough Council

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of Great Britain & Northern Ireland
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This opportunity is ideally suited to a Solicitor or Barrister with between 1 and 3 years relevant experience preferably gained within a specialist environment. He/she will be involved in servicing Insurance Companies, Captives, Lloyd's Underwriters, Loss Adjusters, Brokers and business clients and must be capable of consistently high standards of performance.

INTELLECTUAL PROPERTY & COMPETITION LAW

To work closely with a Partner specialising in Intellectual Property and the legal problems associated with the development and exploitation of high technology, particularly in the computer and related fields. Experience is desirable in the licensing and transfer of intellectual property, including computer software, and the drafting of trading agreements. Although not essential, a working knowledge of EEC and UK competition and restrictive practices law would be most helpful. This is a fast growing area of the legal profession and provides exceptional scope for gaining valuable expertise in the new technology environment.

COMPANY & COMMERCIAL

The type of work involved ranges from general advice to clients on company and commercial matters through to dealing with Full Stock Exchange listings and U.S.M. flotations. In addition there will be opportunities to deal with take-overs, management buy-outs, banking and corporate finance, venture capital funding and joint ventures. This is an extremely varied and stimulating area that will offer the right person career development whilst broadening their experience and responsibilities.

Applicants should preferably have at least one year's post qualification experience in private practice. However, we are also keen to hear from more recently qualified Solicitors who could play an important part in our future growth plans. We offer very attractive salaries with excellent prospects and assistance with relocation to this surprisingly pleasant part of the country will be given, if appropriate.

If you wish to meet us for an initial informal discussion, please write, with career details and current salary to:-
C.W. Hughes, Wragge & Co., Bank House, 9 Cherry Street, Birmingham B2 5JY.
021-632 4131

Wragge & Co

Corporate Taxation

Newly Qualified: upto 2 years.
£ ATTRACTIVE

Our Client, a resourceful and highly motivated medium sized City Firm, with a broadly based commercial practice, offers an outstanding opportunity to work as Personal Assistant to the Senior Partner who specialises in Tax.

This opportunity offers a wide range of challenging and intellectually stimulating taxation work, which requires a business sense as well as legal ability.

This unrivalled opportunity might well suit those wishing to expand their experience where future prospects look very good. Candidates are asked to contact James Davis in complete confidence on 01-629 4226 or write to the address set out below (ref: V103).

LEGAL SELECTION

**JAMES
DAVIS
&
PARTNERS**

160 New Bond Street
London W1Y 0HR England
Telephone 01-629 4226
Fax 01-491 7459
Telex 298942

Computer Industry Commercial Lawyer

Competitive salary + car

Logica, a leading computer software and services company, seeks an able and enthusiastic lawyer to join its young and expanding corporate Legal Department. Logica has enjoyed continued growth since it was founded in 1969 and now employs approximately 2,400 staff worldwide. Logica's activities range from the provision of large turnkey systems to the manufacture and marketing of a variety of products.

The Legal Department has a key and challenging role within Logica, providing a comprehensive legal service to the company and its subsidiaries, located both in the UK and overseas. The work covers a wide variety of issues, with particular emphasis on drafting and negotiating complex software-related agreements, intellectual property law, general corporate and company secretarial matters, and employment law.

The successful applicant, who may be either a solicitor or a barrister, will possess the ability to provide practical advice to all levels of management and will enjoy working as part of a team. He or she is likely to have at least four years' experience of commercial law, some of which may have been gained in a computer-related environment.

Based in Central London, the salary will be competitive and benefits include a company car.
Please write with full CV, quoting reference H/FC to: Mary Crowley, Personnel Officer, Logica International Limited, 64 Newman Street, London W1A 4SE. Telephone 01-637 9111 ext 2644.

logica

DEACONS OF HONG KONG

Deacons is a large but friendly firm established for over 100 years, occupying modern, well-equipped offices in the heart of Hong Kong's fast-moving commercial and financial district. Continuing expansion demands the appointment of two able Commercial Lawyers to work in a busy department which handles a wide variety of domestic and international commercial work for a substantial corporate client base.

THE REQUIREMENTS

Post A - A Solicitor who has one to two years post-qualification experience with exposure to financial and commercial matters.

Post B - A Solicitor with four years sound and varied experience of corporate and commercial matters.

THE REWARDS

- A unique opportunity exists for you to widen your experience and stretch your ability in this dynamic city.
- Salary for Post A will be negotiable above £24,000 p.a. while for Post B it will exceed £32,000 p.a. dependent on ability and quality of experience.
- Low level of personal taxation.
- Generous gratuity and provident fund.
- Subsidised accommodation during settling-in period.
- Annual travel allowance.
- BUPA plan.
- Assisted club membership.

Interviews will be conducted in London in January. Applications and resumés which will be treated in strict confidence should be sent to:
James Finch LL.B., Personnel Manager, Deacons,
3rd-7th Floors, Alexandra House, Hong Kong.

Seeking wider experience?

CONVEYANCING LAWYER

Our expanding property workload demands addition to our property team. Excellent opportunity to broaden experience and rapidly develop responsibility and client contact with a small team dealing with good mixed property work.

COMMERCIAL LAWYER

Our commercial department is a close knit team committed to the highest standards and working closely together to achieve them. Our varied clients generate every conceivable kind of commercial work and respond to high calibre lawyers with a positive and flexible contribution to make. Join an enjoyable but challenging environment.

Both positions would ideally suit an applicant newly qualified to two years, seeking to broaden and deepen his experience.

Laytons is a predominantly commercial practice with excellent resources and working conditions of every kind. We enjoy working together in meeting whatever the client demands. Employment rewards are commensurate with our objective of selecting the best applicants and helping them to positively develop their career.

Apply in writing with full c.v. in complete confidence to Miss D.C. Jeffers, Laytons, 16 Lincoln's Inn Fields, London WC2A 3ED or telephone 01-404 5177.

SHIPPING

Financing - Sale and Purchase

Our Shipping Department has an exceptional opportunity for a recently qualified solicitor with some previous experience, whether during or after articles, in shipping finance/sale/purchase and chartering. The successful applicant would become involved in a wide range of work covering international shipping activities with emphasis on ship financing for both borrowers and lenders and on the sale, purchase and chartering of ships. Some travel will be involved.

The prospects are excellent in this City firm for the right person, who will receive a very attractive salary and benefits package.

If you are ambitious bright and energetic and are interested in joining us, please apply (with full cv) to: David Robinson, Berwin Leighton, Adelaide House, London Bridge, London EC4R 9HA (01-623 3144).

BERWIN LEIGHTON

TRENT POLYTECHNIC

DEPARTMENT OF
LEGAL STUDIES
LECTURER II/SENIOR
LECTURER IN LAW
(C8595 - 215873 p.a.)

Applicants should have a good Honours degree in Law. A higher degree and a record of successful research and publication would be added advantages. We would also accept applicants with relevant experience of legal practice, preferably as a solicitor, and teaching experience.

Further details and form of application are available from the Staff Officer, Trent Polytechnic, Burton Street, Nottingham NG1 4BU. Closing date 8th December 1986. Please quote Ref. No. H2281.

Partner Designate S. Leics - Up to £20,000

This medium-sized established practice in Leicestershire is looking for an experienced Solicitor to run one of its long established branch offices.

The workload has a Conveyancing bias but includes Probate, Matrimonial and Advocacy. The successful applicant can expect an early partnership and, in the meantime, rewards commensurate with performance.

Please write in confidence, quoting Ref. 118

Legal Opportunities

45 Station Road London N21 3SH

01-360 0081

BIRMINGHAM PERSONAL INJURY LITIGATION

Excellent opportunity for Legal Executive/newly qualified Solicitor to specialise in Trade Union related Personal Injury and Employment cases. Large firm requires such a person to join a young busy office, under the supervision of a senior fee earner. Some previous experience required, together with interest in Trade Union work. Salary depending on age and experience. Apply to Box No BOX B03.

Chief Executive & Clerk's Department Articled Clerk

Graduate holding a good honours degree preferably in law and who has passed the Law Society's Final Examination required. You will be articled to the Solicitor to the Council and have full opportunity for training and experience in Council's legal functions. Assistance may be given with relocation expenses. Application forms, returnable 10/12/86, from Chief Executive & Clerk, County Hall, Northcliffe, North Yorkshire DL7 8AD. Tel: (0693) 3123 ext 2815.

NORTH YORKSHIRE COUNTY COUNCIL

ENTERTAINMENT LAWYERS

£15-40,000 pa

We have several vacancies in both industry and private practice (at senior and junior levels) for entertainment lawyers - especially those with experience in film, TV and video.

Please contact Michael Chambers or Sonya Rayner. (Res. Consults.)

74 Long Lane, London EC1 Tel: 01-606 9371

CHAMBERS

& PARTNERS

CAMBRIDGE SOLICITORS

have a vacancy for an experienced family lawyer (two-three years' qualified). 50-50 legal aid/private. Good salary for the right person.

Peter Sear, 170 Hill Road, Cambridge. Tel: (0223) 242544

LACEYS BARRISTERS

Young Solicitor with experience in litigation needed to get established but former London firm with two Branch Offices. Salary c. £12,000 per annum.

Apply to: GERARD WYLLIS, Lacey & Partners, 100, Strand, London WC2R 0JH. Tel: 020-7756

LEGAL APPOINTMENTS

Company Commercial

Lincoln's Inn EXCELLENT

Our Client, a well established medium sized firm which is resourceful and highly motivated with a broadly based commercial practice needs to appoint at least two lawyers of calibre to deal with a varied workload of Private and Public Company work.

Emphasis is placed on the highest level of professional competence whilst retaining a friendly atmosphere.

If you feel your skills and ambition can match the challenge of this expanding City practice, then contact James Davis in the strictest confidence or write to him at the address set out below (Ref: V104)

LEGAL SELECTION

JAMES DAVIS
PARTNERS

160 New Bond Street
London W1Y 0HR England
Telephone 01-629 4226
Fax 01-491 7459
Telex 298942

SENIOR SUB-EDITOR

Butterworths, the leading UK law publisher, is looking for a Senior Sub-Editor for the Encyclopaedia of Forms and Precedents. The position is in the department which provides an updating service to both the fourth and fifth editions of the Encyclopaedia and involves writing and editing material for all sections of the Encyclopaedia.

Applicants should be solicitors with experience in practice which, although it need not include specialisation in any particular area, should include the preparation of documents of the type found in the Encyclopaedia. Previous publishing experience is not necessary but the ability to identify and assimilate changes in the law, to express legal concepts clearly and concisely and to work quickly and accurately is.

Salary c.£12,700 pa; Terms and Conditions in accordance with NUJ Agreement.

Please reply with full CV, not later than 8th December 1986 to: Rosalind Miller, Personnel Officer, Butterworth & Co (Publishers) Ltd, 88 Kingsway, London WC2B 6AB.

LEGAL EXECUTIVE

Required by Property Company W.S. to specialise in residential/tenancy litigation.

Salary up to £20,000.00 p.a. for right candidate.

Ring

01-289 4703/01-289 4704

Stephenson Harwood

Technically Qualified?

Feel you can do better? Why not contact us? We have vacancies for solicitors with suitable technical qualifications who wish to specialise in PATENTS, TRADEMARKS, COPYRIGHT, CONSTRUCTION and other technically related fields and we are offering premium salaries.

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Telephone: 01-606 7733

1786 // // // 1986

Two centuries strong and building

Regional Solicitor Bristol

We are a major national housebuilder operating through six autonomous regional subsidiaries. The growth of our business gives rise to further career opportunities for lawyers.

As a first step we wish to appoint a Regional Solicitor to manage a new Legal Department for Lovell Homes Western Limited. The Department will be based in Bristol and provide a full legal service to a regional company having a current turnover of approximately £30 million. The person appointed will participate generally in the running of the business as a member of the regional management team. This is a senior position calling for the ability to supervise staff as well as broad professional experience of property development conveyancing.

A fully competitive salary will be offered according to age and experience supported by ancillary benefits such as an executive car, contributory pension and life assurance scheme, and 26 days annual holiday.

For further details please contact Mr. G. C. Lean, Personnel Manager, Lovell Homes Ltd., Prospect House, Crenndon Street, High Wycombe, Bucks HP13 6LT. Telephone High Wycombe 443751.

Lovell Homes



ASHURST MORRIS CRISP

Due to the continued expansion of the Trust Department the following vacancies exist:

1. Corporate/Commercial tax assistant with at least two years experience of City work required to join very active department advising on all taxation aspects of a wide variety of business transactions.
2. Versatile trust lawyer who should be able to deal personally with tax planning for senior executives and other wealthy individuals. The right person should have (or will acquire) a good working knowledge of pensions and employee benefit arrangements and be able to advise on the trust law aspects of commercial transactions.

Please apply with full c.v. to

C.J. Amos Esq.
Ashurst Morris Crisp
Broadgate House,
7 Eldon Street,
London, EC2M 7HD.

THREE ASSISTANT SOLICITORS

Stafford Clark & Co. require Three Assistant Solicitors, one for their City Office and Two for their New Cross Office.

Experience preferred but newly qualified applicants will be considered. Salary negotiable.

City Office: Residential Conveyancing with possibility of some Commercial Conveyancing.

New Cross Office: One post in the Commercial Conveyancing Department and One for the Litigation Department.

Please apply to:

Stafford Clark & Co.,
28 Bush Lane, Cannon Street,
London, EC4R 0AE
Tel: 01-692 7161 (Ref:JJ)

THE BUILDING SOCIETIES ASSOCIATION

TWO SOLICITORS/BARRISTERS

Required to work with the Head of Legal Services and other qualified members of the Department on a wide range of matters of concern to building societies - including the absorbing task of implementing the radical new Building Societies Act 1986.

The first, more senior job envisages a solicitor or barrister in the late twenties with 4/5 years' experience in private practice and/or with a local or public authority and who can demonstrate a track record of achievement in terms of initiative and the ability to supervise.

The second post (an addition to the establishment) would best suit a lawyer of 24 or 25 with one or two years' of the requisite experience.

The salaries would be in the region of £16,000 p.a. and £12,250 respectively (the figures offered will depend on age and experience) and both posts carry good pensions and mortgage interest allowance.

For further details write to the Head of Legal Services at 3 Savile Row, London W1X 1AF.

Opportunity to join WC1 firm

An opportunity exists to join an expanding Department serving a number of substantial house building companies within a growing central London commercial firm. We are looking for 2 or 3 Legal Executives and also have vacancies for trainee Legal Executives. Ideally applicants will have had experience within the legal department of a major house builder but able persons with all-round conveyancing experience will be considered.

The work will involve all legal aspects associated with residential developments, house sales, and house exchanges and the applicants should have the ability to work under pressure and carry responsibilities of the position with a positive and enthusiastic attitude.

This is an excellent opportunity to broaden and extend conveyancing abilities from a commercial angle and offers good scope for assuming greater responsibility allied to the support of a large conveyancing team.

An extremely attractive salary/benefits package is offered and applications including full CV should be sent as soon as possible to Mr C A Sharples, Saunders Sobell Leigh & Dobin, 39/40 Eagle Street, London WC1R 4AE.

LEGAL ADVISERS

The Legal Protection Group Limited is the UK's foremost independent legal expenses insurance organisation and also provides a wide range of legal advisory services. Due to rapid expansion of its Telephone Advisory Service the Group now require to recruit two qualified solicitors to join its professional team.

Candidates must have a thorough grounding in all aspects of commercial and personal law. The service is offered on a 24 hour basis and candidates will therefore have opportunities to work flexible working patterns from the Group's Sutton Headquarters.

Salary is dependent upon age and experience but will reflect the high level of professionalism required and the commitment to providing a round-the-clock service.

Please forward c.v. to:

T.A. ABLETT,
The Legal Protection Group Limited,
31/35 St. Nicholas Way,
Sutton,
Surrey
SM1 1JB



BARRISTERS

COMPANY LAW TAXATION INTELLECTUAL PROPERTY PLANNING LAW

Such is the demand for high calibre lawyers in the City and Central London that our client practices are eager to interview Barristers with above average academic backgrounds and substantial pupillage and/or post pupillage experience. Excellent salaries and prospects are available.

Law Personnel

Staff specialists to the legal profession worldwide
95 Aldwych, London WC2B 4JF. Tel: 01-242 1281
(ansaphone after office hours)

2 ASSISTANT SOLICITORS CRESTER

- 1) Assistant Solicitor to Litigation Partner required for City and Brighton. At least 18 months experience of advocacy essential.
- 2) Assistant solicitor for residential and general work. At least 12 months experience required.

Good salary and pleasant office in busy city. Real prospects for the right person.

Apply to: S. B. Partridge Esq., 12 White Friars, City 1PT.

COMMERCIAL MANAGER

Solicitor or barrister. International law, strong commercial leaning, knowledge of high tech. Aged 35 to 40 salary negotiable plus benefits.

Arron Employment Agency Ltd, Harrow. Tel 01 868 0044.

NORTH STAFFORDSHIRE

We have an immediate vacancy for a young solicitor, principally to undertake some criminal advocacy and general litigation, with an opportunity to run Branch Office. Definite prospects in rapidly expanding young firm.

Apply in writing to: Walters and Fitzkitt, 2 Westgate Road, Stafford, Staffs, ST8 5AW.

ARTICLED CLERKS

Required to commence articles in September 1987. Ten partner firm offers good training and a competitive salary. Apply with CV, before 1st January 1987 to:

Patrick Bligh, Redfern & Sigurd, 9 Railway Street, Chatham, Kent. ME4 4BZ

PROPERTY W.I. PARTNERSHIP

We are a three-partner West End practice with a strong entertainment bias. Following expansion of our client base we require a personable energetic Solicitor with not less than two years admitted experience either currently a partner or of potential partnership calibre to head our property department. The work comprising commercial and residential conveyancing for a large variety of clients including property companies, artists, producers, pension funds, mortgage documentation for banking and finance company clients, landlord and tenant, developments, planning, licensing etc. demands both meticulous attention to detail as well as a friendly and positive approach.

A very attractive remuneration package with usual fringe benefits is offered with immediate partnership for the right person.

Please write in confidence with full c.v. to Steven Fisher at 25/27 Oxford Street, London W1R 1RF.

STEVEN FISHER & CO.

COMPANY COMMERCIAL TO £50K

Forward-looking Central London practice wishes to engage a Senior Company Commercial Solicitor who is looking for early partnership and is willing to participate in the firm's expansion.

COMMERCIAL LITIGATION TO £18K A high calibre recently qualified Solicitor is sought by a leading medium sized City practice for heavyweights Commercial Litigation.

COMMERCIAL CONVEYANCING TO £17K Solicitor of around 12 months PDE in heavyweight Commercial Property sought by dynamic City practice.

COMPANY COMMERCIAL TO £38K Eminent City practice seeks a Yellow Book specialist of three to five years PDE for top drawer workload and excellent prospects.

LITIGATION C. £25K Expanding Central London practice in superb office seeks energetic solicitor of five to seven years PDE to head the Litigation Department with Civil and Commercial workload. Definite partnership prospects.

Law Personnel

Staff specialists to the legal profession worldwide
95 Aldwych, London WC2B 4JF. Tel: 01-242 1281
(ansaphone after office hours)

SENIOR STAFFORDSHIRE, MERIT. Solicitor required to run busy branch office, capable of entrepreneurial and able to advise to specialist in criminal work in rural areas. Friendly practice. One to two years' post-qualification experience essential. Salary negotiable. Apply to: J. Roberts, Esq., 100-102, The Quadrant, Reading, RG1 1JH. Tel: 01-353 3119

FREE List of country vacancies at salaries from £7,000 to £25,000. Candidates & Partners 01-606 9371.

PART TIME OR RETIRED CONVEYANCER required to advise. Salary negotiable. Apply to: 251-253, Regent Street, London W1A 2AB.

TRANSFER ARTICLES with 1 years experience for 1000-1200. North, Surrey and South London. Excellent Conditions. 0203 25182.

SOUTH CHESHIRE

Enthusiastic young Solicitor required for continuing work in medium sized (4 partner) firm. Newly qualified person considered. Active prospects for the right person. Apply with CV to: Saunders & Co., 281 Mansfield Road, Chesham, Ch52 6SS.

MAIDSTONE

Asst. Solicitor. New practice specializing in housing and Home Counties urgently seeks versatile solicitor. General practice. Advocacy. Conveyancing - conveyancing skills essential. Unique opportunity with early partnership available. Tel: (0622) 681887.

Legal Resources Employment Agency LOCUMS

needed now for assignments country wide. Tel: 01-405 4985

SOLICITORS

We have permanent vacancies in Litigation Company/Commercial and Conveyancing country wide. Contact Legal Resources Employment Agency 18 John Street London WC1N 2DL Tel: 01-405 4985

ASA LAW LOCUMS

Urgently Required in all areas 01-248 1139

YOUNG SOLICITOR

Very welcome in South Lincolnshire where the air is fresher, the housing cheaper and business thriving to help two desperately overworked litigation partners, recently admitted applicants prepared to undertake all branches of litigation please apply salary by negotiation; partnership prospects. Write to: Gary Whitham, 25 New Street, Lincolnshire PE11 1BE.

GENERAL APPOINTMENTS

TRAINEE NEGOTIATORS

Central London's leading Estate Agents require 6 trainee negotiators aged between 18 & 24 years. Must have sound educational background, be presentable, energetic, and want to become one of Central London's top residential property negotiators. Driving license essential. Salary throughout training period £6,000 per annum plus company car - thereafter earnings between £15-40,000 per annum + VW GTL. Telephone 01 727 0530 Reference JMH

LEGAL LA CREME

LEGAL EAGLES for the NEW YEAR £10,000

Dispersed legal vacancies are required by the commercial conveyancing and company commercial law departments of this prestigious West End law firm. For more details call Jo at Daisy Hays Associates 07-461 2828.

POSTS

The Berlitz School of Languages

needs university graduates - BA degree - to work in Spain. Please write immediately to Berlitz (Spain), Wells House, 75 Wells Street, London W1A.

CHRISTMAS FARE

CHOCOLATES-CHOK-CHOCO-LATES Five Belgian trapezium and praline chocolates in gift presentation - delivered by post from £10.95 inc. P1 586 5402/6627. All C.O. incl. Piece of Resistance Ltd.

ADVOCATE

Young enthusiastic solicitor required to assist with criminal litigation in fast expanding busy department.

Our practice in North West Surrey has offices in Leather, Cobham and Claygate.

Preferably newly qualified - two years' experience. Please apply to Partnership Secretary Mrs Sheila Shackel 0372 67272

FIRM OF SOLICITORS

London SW1 require recently admitted solicitor. Could suit person who has had good articles possibly outside London and who wishes to do general work in Central London with an emphasis on residential conveyancing. Salary negotiable in region of £15,000. Please write with CV to Anthony or Jill at Marston Street, London SW1V 2PS.

NON-CONVENTIONAL SOLICITOR

at 30, Essex Road, 1st floor country town office in 15th Warwick. Consultants. 0935 26182.

PLANNING SOLICITOR

London SW1 require newly qualified or experienced lawyer. £11,000. 0935 26182. Recruitment. 01-583 8866.

RELOCATING to Liverpool

£11,000 for City Solicitors. Training, sound education plus own law experience essential. Would suit newly qualified solicitors. 01 537 5277 Mary Creave fax 094

السنة من الالهي

BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM PERSONAL COLUMNS

BIRTHS

And blessed be the whosoever shall not be offended in it. St Matthew 11:6

FORTIN - On November 21st, in London, to Robin and Jay, a son, Matthew James.

HALL - On November 19th, at Westminster Hospital, to Susan and David, a daughter, Sophie Louise.

HUGHES - On November 23rd, at Pembury Hospital, to Elizabeth and Peter, a daughter, Elizabeth Jane.

HUGHES - On November 23rd, at St. George's Hospital, to Susan and David, a daughter, Sophie Louise.

HUGHES - On November 23rd, at St. George's Hospital, to Susan and David, a daughter, Sophie Louise.

HUGHES - On November 23rd, at St. George's Hospital, to Susan and David, a daughter, Sophie Louise.

DEATHS

ADAMS - On 22nd November, Sir Geoffrey William Grant, devoted husband of Doris, much loved father and grandfather, and for 55 years Director and Chairman of the British Overseas Airways Corporation. Memorial service to be announced later.

ATKINSON - On November 24th, Eileen Ann Currow, aged 85, dear wife, mother and friend. Private cremation at the Crematorium, St. Barnabas House, Waltham.

BENTLEY - On November 21st 1986, peacefully at home, Gay (née Cropper) aged wife of Richard and mother of Deborah, Christine, Anne, Elizabeth and grandmother of Hugh, Mark and Louise. Funeral private, at St. Martin's Church, London, on Friday 29th November at 12 noon.

BRIDGES - On Saturday November 23rd 1986, peacefully at home, Sedge Ode Lymington, Captain Paul to Catherine O.R.C., aged 86, beloved husband of Nancy, father and grandfather of 11 grandchildren. Burial at 11.30 a.m. on Sunday November 23rd at St. Catherine's, Wigan at 10.30 p.m., followed by a Requiem Mass.

CLARKE - On November 22nd, peacefully at home, fortified by the Eucharist, Alexander Bruce (father), beloved husband of Marion, aged 90, father and grandfather of 11 grandchildren. Burial at 11.30 a.m. on Sunday November 23rd at St. Catherine's, Wigan at 10.30 p.m., followed by a Requiem Mass.

ELLENBERGER - On November 22nd 1986, peacefully at home after a long illness, Rachel, much loved wife of Richard, dearly loved mother of Robert, Edmund and Charles and loving grandmother of Peter and Susan. Burial at 11.30 a.m. on Sunday November 23rd at St. Catherine's, Wigan at 10.30 p.m., followed by a Requiem Mass.

FRENCH - On 21st November 1986, peacefully at home, O.B.E., D.F.C., A.F.C., Wing Commander R.A.F. (Retd.) David, beloved husband of Joan, father and grandfather of 11 grandchildren. Burial at 11.30 a.m. on Sunday November 23rd at St. Catherine's, Wigan at 10.30 p.m., followed by a Requiem Mass.

ANNOUNCEMENTS

VERY SPECIAL HELP is to be provided to help you to help others. The British Red Cross Society, 100, Pall Mall, London W1A 1AA. Tel: 01-262 2222. The British Red Cross Society, 100, Pall Mall, London W1A 1AA. Tel: 01-262 2222.

ANNOUNCEMENTS - Various notices regarding services, events, and organizations.

BIRTHDAYS

ANNIVERSARIES - Celebrations on your 40th birthday. You were it well!

ANNIVERSARIES - Celebrations on your 40th birthday. You were it well!

FOR SALE

YOU'LL BE FLOORED BY OUR PRICES AT RESISTA CARPETS

Visiting beautiful natural carpet tiles. A variety of hard wearing, stain resistant, fire retardant, slip resistant, and sound absorbent carpet tiles. The largest range of carpet tiles in the world. Free brochures and samples. Call 01-262 2222.

RENTALS

HOLLAND PK W11

In situ carpet, oil central heating, fully fitted kitchen, large living room, dining room, 2 bedrooms, 2 bathrooms, 1 living room, 1 dining room, 2 bedrooms, 2 bathrooms, 1 living room, 1 dining room, 2 bedrooms, 2 bathrooms.

OVERSEAS TRAVEL

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100 SKIWAYS TO BEAT... UNDISCOUNTED DOWN PRICES... CHRISTMAS NOW... 1 WEEK 20 DAYS COURSED CHAIRS... MERSEL, WEAVER, COUGHLIN, MCGEE & CHAMBERS... OPEN TODAY... DON'T MISS OUT... BOOK NOW... 01-370 0999/0256... ATOL 1300... ACCESS/VISA... 121, HIVE ROAD, LONDON SW10

ANNOUNCEMENTS

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Science report

Frozen blood clue in fight against cancer

From Tony Samsing, Oslo

Norwegian doctors are excited about preliminary results of a cancer research project involving samples of blood which have been frozen for 10 years.

Blood from 100,000 apparently healthy people was put into cold storage during the 1970s. When the specimens were checked against the subsequent health records of the donors, the samples from some of those who had developed cancer showed significant changes, years before any clinical symptoms had become apparent.

The study, code-named the Janus project, was devised by Professor Olav Torgersen, of the National Hospital in Oslo, who died before the preliminary results were known.

The researchers who carried out the project, Dr Steinar Thoreson and Dr Eystein Glatre, of the National Cancer Register in Oslo, hope that their findings might point the way to an early warning system that could save millions of lives.

Four hospitals have contributed to the study, which the National Society against Cancer says is the first of its kind in the world. "We found significant changes in the blood taken 10 years before the cancer broke out," Dr Thoreson said. "On average it looks like the changes develop to six years before cancer could normally be diagnosed". The study team suspects that there may be a dietary link.

"It turns out that the blood

Church news

Appointments

Arthritis: Seriously affects over 6 million people in the UK

Cancer

Arthritis Research

Arthritis: Seriously affects over 6 million people in the UK

Cancer

Arthritis Research

Arthritis: Seriously affects over 6 million people in the UK

Cancer

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Arthritis Research

Arthritis: Seriously affects over 6 million people in the UK

WALL STREET

Table with columns for stock prices and changes, including AMR, ASA, Allied Signal, etc.

Dow goes higher at start

New York (Agencies) - Wall Street share prices, turned higher yesterday in early moderately active trading.

The Dow Jones industrial average was up 3.23 points at 1,896.79.

Advancing shares led declines by a narrow margin, on a volume of about 25 million shares.

Mrs Christine Calties, of Deena Witter Reynolds, said: "The market is probably going to try to preserve its gains, but it will run into trouble almost immediately."

"The technical underpinnings of this market are not all that strong at these levels, its leadership since the second week of September has not extended much beyond the takeover stocks."

Coca-Cola Enterprises led the active shares, down 1/4 to 16 1/2. AT&T, at 26 1/2, was unchanged, IBM was up 1/4 to 124, Chevron was up 1/4 to 47 1/2.

General Motors was up 1/4 at 73 1/2 and YPL Group, at 32 1/2, was unchanged.

Radson Industries was up 1/4 at 8 1/2, Zale, at 48 1/2, was up 5/8 and Rexnord was up 2/8 to 20 1/2.

LTV Corporation was down 1/8 at 2 1/2 and USX, at 21, was down 1/8.

May Department stores, at 38 1/2, was up 1/8. The transportation average was down 0.13 at 838.75, utilities, at 211.14, were down 0.34 and stocks added 0.50 to 748.09.

Meanwhile, the Standard and Poor's 100 index was up 0.51 to 234.19.

Rank Xerox leads move to curb Japanese imports

By Edward Townsend Industrial Correspondent Rank Xerox, the British associate of Xerox Corporation of the United States, is spearheading a new attempt by European photocopier manufacturers to curb Japanese imports.



Roland Magnin: "We are not being protectionist" which calls itself the Committee of European Copier Manufacturers (CECOM) - wants to see a minimum EEC content of 55 per cent imposed on Japanese manufacturers.

invented photocopying and which remains the world leader, now fears that in Europe the Japanese will try to repeat their success in the low volume sector with an attack on the new laser-printing machine sector and the market for high volume office copiers.

Japanese copiers have won about 80 per cent of the European desk-top market but CECOM says their prices have been lower than Japanese domestic selling prices.

The latest moves to force the Japanese to agree to local content in their machines match the campaign of the motor industries of Europe to win commission acceptance of local content proportions in imported vehicles.

M Magnin said: "We are not being protectionist. If the Japanese played by the same rules as we should not compete equally."

But M Magnin and others say that the time taken by the commission to reach a decision over the CECOM complaint has allowed the Japanese producers, whose leaders include Canon, Toshiba and Minolta, to establish so-called manufacturing bases while at the same time building their stocks of copiers.

Rank Xerox, derived from the American company that

loans are to Khoo-related companies, more than S\$1.3 billion in all (£400 million).

Khoo Ban Hock, who is in his late fifties, also charges of making false profit statements to directors of the bank and of allegedly falsifying the bank's annual report for 1985.

The affair puts Khoo Teck Puan under immense pressure and raises the possibility of the sale of his £62 million stake in Standard Chartered.

The financier, who was invited to join the Standard Chartered Board along with fellow white knights, Sir Y K Pao, the Hong Kong shipping entrepreneur, and the Australian Mr Robert Holmes a Court, has not been personally

Free glass offers hit Crown

Millions of glasses handed to motorists as part of a giveaway campaign by the petrol companies drained profits of the Crown House engineering and tableware group in the first half of this year.

Sales of quality glassware were also hit by the fall in the number of American tourists visiting Britain.

Pretax profits fell from £1.6 million to £663,000, on turnover over slightly ahead at £95 million.

The tableware business saw a reversal from profits of £803,000 to a loss of £941,000.

The chairman, Mr Patrick Edge-Partington, said: "It is only in the last month or so that we have started to see any improvement."

"We estimate that nearly 150 to 200 million glasses have been given away by the petrol companies over the last 15 months, so clearly many of the shops decided there was no point stocking up with glasses from us or anyone else - at least until people started breaking all the glasses they had collected."

Crown House had to rely on its engineering contracting activities to save the day, with profits during the latest six months advancing from less than £800,000 to £1.5 million.

The company is again paying a 3p interim dividend.

Son of white knight is accused of bank fraud

From Stephen Leather, Hong Kong

A £400 million banking case in Brunei is threatening the standing of Tan Sri Khoo Teck Puan, one of the three white knights who earlier this year rescued Standard Chartered Bank from the clutches of Lloyds Bank.

Mr Khoo's eldest son, Khoo Ban Hock, appeared in court charged with conspiring to defraud the National Bank of Brunei and with false accounting.

No pleas were taken from Khoo Ban Hock or two of the bank's auditors.

The Bank is 70 per cent owned by the Khoo family and after a five-month investigation the Brunei Finance Ministry has discovered that 90 per cent of the bank's

China in £70m medical spend

China is ready to boost its imports of medical equipment dramatically in an attempt to modernize its outdated hospitals. It plans to spend up to US\$100 million (£70.4 million) this year.

The intention is to replace existing medical equipment which in some cases is more than 20 years old and the spendings likely to increase in coming years, said Mr Guo Jiangxing, a section chief of the State Bureau of Materials and Equipment.

He said that x-ray and diagnostic equipment are at the top of his shopping list.

UK firms win £106m contracts

By Teresa Poole Business Correspondent

Four British companies have been awarded contracts worth a total £106 million for work on the Samanalawewa hydro-electric project in Sri Lanka.

Balfour Beatty, the construction arm of BICC, the cable and wire manufacturer, is leading a consortium of seven British and Japanese-funded contractors chosen to build the £288 million dam.

The project, one of the largest undertaken in Sri Lanka, will mean almost 10,000 man-years of work for British companies.

Balfour Beatty's £83 million contract includes the civil engineering work for the 5km tunnel, the power station, roads, infrastructure and construction village.

GECC Turbine Generators will design, supply and install the two 60MW generators under a £16 million contract and Sir Alexander Gibb and Partners, in association with EPDC of Sidcup, is carrying out £7 million of design work for the whole project.

Britain is contributing £70 million, including £16.5 million from the Aid and Trade Provision and a £15 million loan from the Commonwealth Development Corporation.

Lloyds Merchant Bank is leading a banking syndicate to provide the balance of the British element, backed by the Export Credits Guarantee Department.

The Ceylon Electricity Board and the Government of Japan will supply the remaining finance. Japanese finance will account for 60 per cent of the total cost, compared with Britain's 40 per cent.

Work is due to start in January and should be completed by July 1991.

Attwoods plc logo and text: Another year of excellent results and record achievements

Table with columns for Year Ended 31 July 1986 and 31 July 1985, showing Turnover, Profit before taxation, Profit after taxation, Earnings per share, and Dividend net per share.

Attwoods plc is the parent company of a group of companies engaged in the waste management and quarrying industries, with operations in the United Kingdom and the United States.

COMPANY NEWS

IC INDUSTRIES INC: The company has declared its regular quarterly dividend of 20 cents a share on the common stock, payable in January.

MOORGATE GROUP/POULTER: Negotiations for the acquisition of the Poulter Textiles Co have been terminated by mutual agreement.

BRITANNIA SECURITY GROUP: The company has issued 863,020 new shares of which 784,314 were deferred consideration for White Group Electronics and 78,706 deferred consideration for Audio Education. The new shares will not rank for the final dividend for the year to June 30 1986.

JF PACIFIC WARRANT CO SA: Net asset value per ordinary share as at November 21 is US\$31.21 (£35.80).

OCEAN WILSONS (HOLDINGS): Results for the six months to June 30. Turnover in Brazil in Can\$000s (excl. ex. 000s) 790,725 (215,427). Interim 0.5p (same), payable January 9. United Kingdom interest receivable 306 (302). Profit before tax of Brazilian operations 2,656 (1,395). Pretax profit 2,754 (1,554). Tax 1,523 (149). Earnings per share 3.10p (2.03p). Net asset value 38.26p (52p).

SPRING RAM CORP: The company has acquired Batherley Bathrooms, a Stoke-based manufacturer of vitreous china sanitary-ware, for £700,000 cash. Batherley had net tangible assets of £415,000 at October 31 1985, and made pretax profits of £78,000 for the six months to October 31 1986.

TOWNGRADE SECURITIES: The board meeting fixed for today to approve the preliminary announcement of results for the year to June 30 has been postponed.

More company news is on page 32

THOMAS BORTHEWICK & SONS: The company is to receive a refund of surplus from its United Kingdom pension scheme. The Inland Revenue has agreed to a formula which will amount to £6.9 million gross or £4.2 million net after deduction of the 40 per cent special tax. The fund will retain an amount equivalent to 105 per cent of actuarially calculated liabilities.

DOWTY GROUP: Dowty Rotol, a subsidiary, has received orders worth more than £30 million for aerospace equipment.

TYZACK TURNER: Final dividend 3p, making 4p (same) for the year to July 31. Figures in 2000s. Turnover 8,988 (7,873). Gross profit 1,175 (975). Operating profit 401 (511). Interest payable and similar charges 202 (170). Pretax profit 199 (341). Tax 95 (1). Extraordinary debt 289 (nil). Earnings per share 3.2p (10.6p).

CHAMBERLAIN PHIPPS: Figures for the half year to September 30 in 2000. Interim was 1.2p (1.1p), turnover was 53,222 (47,292), pretax profit was 2,409 (2,107) and tax was 958 (990). Earnings per share were 3.72p (2.74p). The chairman, Mr Frank Chamberlain, said the general industries division increased profits in Britain and overseas. The adhesive businesses now contribute a third of group trading profit.

SHERATON SECURITIES INTERNATIONAL: Figures in 2000 for six months to September 30. Interim was 0.375p. Property sales were 5,710 (2,275) and net property income was 1,928 (703). Pretax profit was 1,725 (661), tax was 200 (nil) and earnings per share were 1.6p (0.8p). The chairman hopes to recommend an increased final dividend. The half-year results show a further improvement and reflect the continuing progress of the group.

CROMA CONTRACT HIRE advertisement featuring a car image and text: THE PROFITABLE WAY TO MIX BUSINESS WITH PLEASURE. Choose the new luxury 2-litre Cromas on Fiat company contract hire and: * You pay only 3 months advance rental, then a pre-planned monthly sum that could be as little as £258.56 + VAT.

Penningtons Ward Bowie Cardales (City Office) SOLICITORS advertisement. The Partners of Penningtons Ward Bowie are pleased to announce that they have acquired the practice of Cardales (City Office) and that Mr Cecil Benzecry of Cardales has joined them in Partnership. Penningtons Ward Bowie also announce the opening on 24th November 1986 of their City Office at 57-59 London Wall, London EC2M 5TP. Telephone: 01-242 4422.

LONDON TRADED OPTIONS

Table with columns for Series, Calls, Puts, and various dates (Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec). Includes entries for Allied Lyons, BP, Coca Cola, Courtaulds, Com Union, Cable & Wire, GEC, Grand Met, ICI, Land Sec, Marks & Spenc, Shell Trans, Tritelgar House, TSB, Beecham, Boots, BTR, Bass, Blue Circle, De Beers, Dorens, GKN, Glaxo, Hanson.

November 24, 1986. Total contracts 22505. Calls 18103. Puts 8102. FT-SE index, Calls: 1148. Puts: 2082.

FOREIGN EXCHANGES

Table with columns for Market rates, Sterling spot and forward rates, and other sterling rates. Includes entries for Jaguar, Thomson, Tanco, British Aero, BAT Inds, Barclays, Brit Telecom, Cadbury Schweppes, Guinness, Ladbroke, LAGMO, Midland Bank, P & O, Rascal, RTZ, Vaal Reefs, Lomrho, FT-SE index.

STERLING SPOT AND FORWARD RATES

Table with columns for Market rates, Sterling spot and forward rates, and other sterling rates. Includes entries for N York, Montreal, C Pigen, Dublin, Frankfurt, London, Madrid, Milan, Oslo, Paris, Tokyo, Vienna, Zurich.

OTHER STERLING RATES

Table with columns for Argentina austral, Australia dollar, Bahraini dir, Brunei dollar, Cypriot pound, Czechoslovak koruna, Danish krone, Hong Kong dollar, Indian rupee, Irish punt, Kuwait dinar, Malaysian ringgit, Mexican peso, New Zealand dollar, Singapore dollar, South African rand, Swiss franc, Taiwan dollar, Thai baht, US dollar.

MONEY MARKETS AND GOLD

Table with columns for State Rates, P & O, Rascal, RTZ, Vaal Reefs, Lomrho, FT-SE index, Local Authority Deposits, Local Authority Bonds, Sterling CDs, Saudi Arabia, Dollar CDs, Euro Money Deposits, Gold, ECGD.

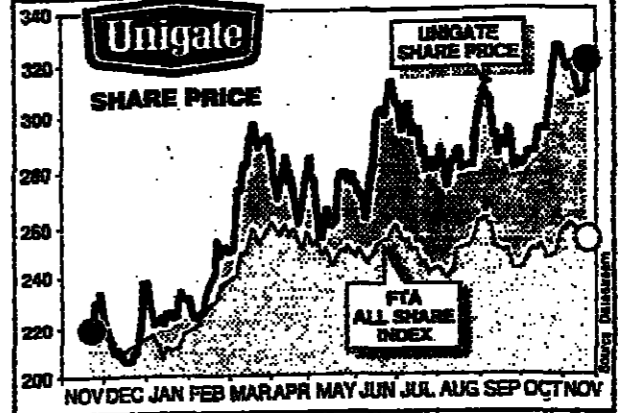
TRADITIONAL OPTIONS

Table with columns for First Dealings, Last Dealings, Last Declaration, For Settlement. Includes entries for Oct 20, Oct 31, Nov 4, Nov 11, Nov 18, Nov 25, Nov 2.

TEMPUS

Fashion is name of the game in food market

It will surprise no one to learn that real spending on food in Britain is broadly static. However, the food manufacturers need not despair. Nowadays, people are eating less, but they are paying more for it.



Unigate

The average price paid per ounce of food seems to be increasing in real terms. In a study of the food manufacturing industry, sector specialists Robert Brand and Les Pugh at the stockbroker, Wood Mackenzie, conclude that food is increasingly becoming a fashion market.

Marshall's

The City has long been cautious about Unigate. Analysts have tended to describe its constituent businesses as "sound" rather than exciting. Yet they are worried that Unigate will make an in-judicious acquisition, despite some shrewd purchases recently.

Halifax

Pedestrian precincts are good news for Marshall's Halifax. More architects are specifying concrete-block paving in their designs because it is practical and is aesthetically pleasing. Marshall's has a 40

Argyll Stores

The winners will include Hazlewood, for which the study projects 53 per cent earnings growth over the next two years, and Hillsdown, where the market rating is at odds with a dynamic management and the strong impetus for growth in earnings per share.

Harris

Property Partner-Ships: Figures in £000 for the half year to September 30. Interim was 3p (2.5p). Gross rental income from investments was 533 (466), pretax profit was 715 (593) and tax was 250 (227). Earnings per share were 8p (6.7p). The group is confident that results for the year will be satisfactory.

James Cropper

James Cropper: Interim dividend was 4.4p per cent (3.4p per cent) for the six months to September 27. Figures in £000. Turnover was 13,698 (13,215), net profit was 952 (830) and tax was 18 (15). Profit after tax was 934 (815) and earnings per share were 23.2p.

Sarabota Technology

Sarabota Technology: Interim dividend was 0.9p (0.7p) for six months to September 30. Figures in £000. Sales were 4,914 (4,538), trading profit was 803 (718) and pretax profit was 855 (752). Tax was 315 (302) and earnings per share were 3.06p (2.51p). Sarabota reports a 13.7 per cent increase in first-half profits.

Harris

Harris: Figures for six months to September 30 in £000. Turnover was 262,950 (447,171), profit before tax was 30,653 (76,317), less depreciation of 11,800 (10,929). Earnings per share were 4.7 (10.7).

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COMPANY NEWS

PROPERTY PARTNER-SHIPS: Figures in £000 for the half year to September 30. Interim was 3p (2.5p). Gross rental income from investments was 533 (466), pretax profit was 715 (593) and tax was 250 (227). Earnings per share were 8p (6.7p). The group is confident that results for the year will be satisfactory.

APPOINTMENTS

Nissan Motor Manufacturing (UK): Mr Ian Gibson becomes deputy managing director. Mr Peter Wickens, personnel director, joins the main board.

LONDON FINANCIAL FUTURES

Table with columns for Three Month Starting, Open, High, Low, Close, Est Val. Includes entries for Dec 86, Mar 87, Jun 87, Sep 87, Dec 87, Mar 88, Jun 88, Sep 88, Dec 88, Mar 89, Jun 89, Sep 89, Dec 89, Mar 90, Jun 90, Sep 90, Dec 90, Mar 91, Jun 91, Sep 91, Dec 91, Mar 92, Jun 92, Sep 92, Dec 92, Mar 93, Jun 93, Sep 93, Dec 93, Mar 94, Jun 94, Sep 94, Dec 94, Mar 95, Jun 95, Sep 95, Dec 95, Mar 96, Jun 96, Sep 96, Dec 96, Mar 97, Jun 97, Sep 97, Dec 97, Mar 98, Jun 98, Sep 98, Dec 98, Mar 99, Jun 99, Sep 99, Dec 99, Mar 00, Jun 00, Sep 00, Dec 00, Mar 01, Jun 01, Sep 01, Dec 01, Mar 02, Jun 02, Sep 02, Dec 02, Mar 03, Jun 03, Sep 03, Dec 03, Mar 04, Jun 04, Sep 04, Dec 04, Mar 05, Jun 05, Sep 05, Dec 05, Mar 06, Jun 06, Sep 06, Dec 06, Mar 07, Jun 07, Sep 07, Dec 07, Mar 08, Jun 08, Sep 08, Dec 08, Mar 09, Jun 09, Sep 09, Dec 09, Mar 10, Jun 10, Sep 10, Dec 10, Mar 11, Jun 11, Sep 11, Dec 11, Mar 12, Jun 12, Sep 12, Dec 12, Mar 13, Jun 13, Sep 13, Dec 13, Mar 14, Jun 14, Sep 14, Dec 14, Mar 15, Jun 15, Sep 15, Dec 15, Mar 16, Jun 16, Sep 16, Dec 16, Mar 17, Jun 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STOCK EXCHANGE PRICES

Confident start to account

ACCOUNT DAYS: Dealings began yesterday. Dealings end December 5. Contango day December 8. Settlement day December 15.
Forward bargains are permitted on two previous business days.

Where stocks have only one price quoted, these are middle prices taken daily at 5pm. Yield, change and P/E ratio are calculated on the middle price.
Where stocks have only one price quoted, these are middle prices taken daily at 5pm. Yield, change and P/E ratio are calculated on the middle price.

Portfolio Gold

From your portfolio card check your eight share price movements, on this page only. Add them up to give you your overall total and check this against the daily dividend figure. If it matches, you have won outright or a share of the total daily prize money shared. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

No.	Company	Group	Cash	Div
1	Colson	Foodst		
2	Pharos (GB)	Motors/Aircraft		
3	Jervis (J) & Sons	Building/Roads		
4	Walsley	Industrials S-Z		
5	Scotmid	Electricals		
6	EMAP 'A'	Newspapers		
7	FR Group	Motors/Aircraft		
8	Low (Wm)	Foodst		
9	Br Mohar	Textiles		
10	Skochley	Industrials S-Z		
11	New London Oil	Oil		
12	Ash & Lacey	Industrials A-D		
13	TI	Industrials S-Z		
14	Oil Search	Oil		
15	BITEC	Industrials A-D		
16	Co Auctions	Motors/Aircraft		
17	Conroy & New	Property		
18	Portsmouth Sand	Newspapers		
19	Ferry 3p	Motors/Aircraft		
20	Fick Design	Paper/Printing		
21	Hanson	Industrials E-K		
22	Cleymann	Paper/Printing		
23	GEC	Electricals		
24	Gates (Frank G)	Motors/Aircraft		
25	Marshall (Halliwell)	Building/Roads		
26	Brimming	Paper/Printing		
27	Canpage	Industrials A-D		
28	EPB Industries	Building/Roads		
29	Auto Sec	Electricals		
30	Microlink	Industrials S-Z		
31	Berkley House	Industrials E-K		
32	Parlake	Property		
33	Mickey Stos	Property		
34	Helical Bar	Building/Roads		
35	Sand Sec	Property		
36	Devis (Godfrey)	Motors/Aircraft		
37	Body Shop	Dispens/Stores		
38	Lindford	Industrials L-R		
39	Cliffords Daines	Foodst		
40	Aercon	Industrials A-D		
41	Chalst (S)	Dispens/Stores		
42	Ingram (Harold)	Textiles		
43	Nest	Dispens/Stores		
44	Lopez	Paper/Print/Adv		

© Times Newspapers Ltd. Daily Total

Please take account of any minus signs

Weekly Dividend

Please make a note of your daily totals for the weekly dividend of £8,000 in Saturday's newspaper.

MON	TUE	WED	THU	FRI	SAT	Weekly Total

BRITISH FUNDS

High	Low	Close	Change	P/E

SHORTS (Under Five Years)

High	Low	Close	Change	P/E

FIVE TO FIFTEEN YEARS

High	Low	Close	Change	P/E

OVER FIFTEEN YEARS

High	Low	Close	Change	P/E

UNDATED

High	Low	Close	Change	P/E

INDEX-LINKED

High	Low	Close	Change	P/E

BANKS DISCOUNT HP

High	Low	Close	Change	P/E

ELECTRICALS

High	Low	Close	Change	P/E

BREWERIES

High	Low	Close	Change	P/E

BUILDINGS AND ROADS

High	Low	Close	Change	P/E

FINANCE AND LAND

High	Low	Close	Change	P/E

FOODS

High	Low	Close	Change	P/E

CHEMICALS, PLASTICS

High	Low	Close	Change	P/E

CHEMIS AND TV

High	Low	Close	Change	P/E

DRAPERY AND STORES

High	Low	Close	Change	P/E

INDUSTRIALS A-D

High	Low	Close	Change	P/E

HOTELS AND CATERERS

High	Low	Close	Change	P/E

NEWSPAPERS AND PUBLISHERS

High	Low	Close	Change	P/E

E-K

High	Low	Close	Change	P/E

L-R

High	Low	Close	Change	P/E

M-N

High	Low	Close	Change	P/E

O-P

High	Low	Close	Change	P/E

Q-R

High	Low	Close	Change	P/E

S-T

High	Low	Close	Change	P/E

U-V

High	Low	Close	Change	P/E

W-X

High	Low	Close	Change	P/E

Y-Z

High	Low	Close	Change	P/E

INSURANCE

High	Low	Close	Change	P/E

LEISURE

High	Low	Close	Change	P/E

MINING

High	Low	Close	Change	P/E

MOTORS AND AIRCRAFT

High	Low	Close	Change	P/E

SHOES AND LEATHER

High	Low	Close	Change	P/E

TEXTILES

High	Low	Close	Change	P/E

TOBACCOS

High	Low	Close	Change	P/E

OVERSEAS TRADERS

High	Low	Close	Change	P/E

PAPER, PRINTING, ADVERT'G

High	Low	Close	Change	P/E

PROPERTY

High	Low	Close	Change	P/E

SHIPPING

High	Low	Close	Change	P/E

SHOES AND LEATHER

High	Low	Close	Change	P/E

TEXTILES

High	Low	Close	Change	P/E

TOBACCOS

High	Low	Close	Change	P/E

Portfolio Gold

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£4,000
Claims required for
+34 points
Claimants should ring 0254-53272

OVERSEAS TRADERS

High	Low	Close	Change	P/E

PAPER, PRINTING, ADVERT'G

High	Low	Close	Change	P/E

PROPERTY

High	Low	Close	Change	P/E

SHIPPING

High	Low	Close	Change	P/E

SHOES AND LEATHER

High	Low	Close	Change	P/E

TEXTILES

High	Low	Close	Change	P/E

TOBACCOS

High	Low	Close	Change	P/E

© Ex dividend • Ex all • Forecast dividend • Interim payment passed • Price at suspension • Dividend and yield exclude a special payment • Pre-charge figures • Forecast earnings • Ex other • Ex rights • Ex swap or share split • Tax-free • No significant price.

THE TIMES UNIT TRUST INFORMATION SERVICE

Table of Unit Trusts, categorized by type (e.g., UK Shares, Overseas, Bonds, Money Funds). Columns include Unit Trust Name, Bid, Offer, and Weekly Change.

Table of Unit Trusts, categorized by type (e.g., UK Shares, Overseas, Bonds, Money Funds). Columns include Unit Trust Name, Bid, Offer, and Weekly Change.

Table of Unlisted Securities, categorized by type (e.g., Shares, Bonds). Columns include Company Name, Bid, Offer, and Price.

Table of Investment Trusts, categorized by type (e.g., UK Shares, Overseas, Bonds). Columns include Trust Name, Bid, Offer, and Price.

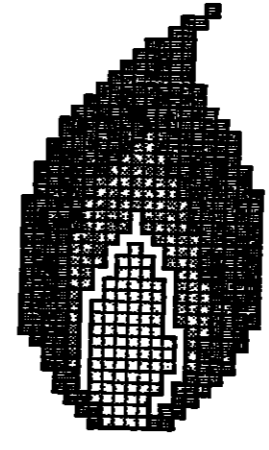
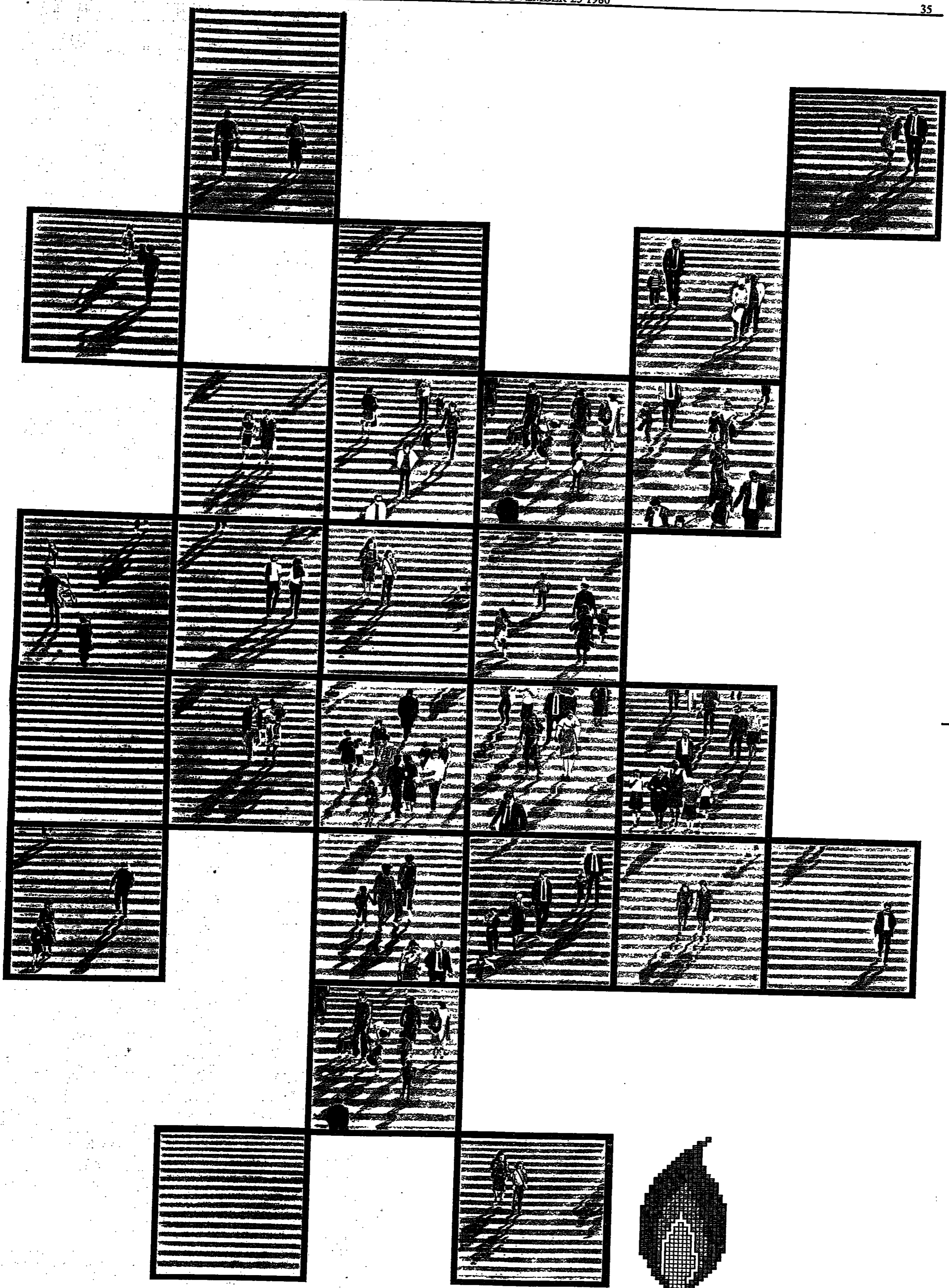
Table of Commodities, categorized by type (e.g., Metals, Grains, Energy). Columns include Commodity Name, Bid, Offer, and Price.

Where stocks have only one price quoted, these are middle prices taken daily at 5pm. Yield, change and P/E are calculated on the middle price

The prices in this section refer to Friday's trading

FINANCIAL TRUSTS

Table of Financial Trusts, categorized by type (e.g., UK Shares, Overseas, Bonds). Columns include Trust Name, Bid, Offer, and Price.



**British Gas plc
Offer for Sale**

The Directors of the Company are responsible for the information contained in this document other than the information in Sections II, VII (Parts G, H and I), VIII, IX and X of this document for which the Secretary of State is responsible. The Secretary of State is also responsible jointly with the Directors for the information in Section III of this document. To the best of the knowledge and belief of the Directors and the Secretary of State, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they are respectively responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors and the Secretary of State accept responsibility accordingly.

British Gas plc

Offer for Sale

by

N M Rothschild & Sons Limited

on behalf of

The Secretary of State for Energy

Under the Offer for Sale in the United Kingdom and separate offerings in the United States, Canada, Japan and Europe

4,025,500,000 Ordinary Shares of 25p each are being offered at 135p per share of which 50p is payable now, 45p is payable on 9th June, 1987 and 40p is payable on 19th April, 1988.

The Offer for Sale in the United Kingdom has been underwritten by

N M Rothschild & Sons Limited

Kleinwort Benson Limited

Barclays de Zoete Wedd Limited Baring Brothers & Co., Limited Charterhouse Bank Limited
County Limited Robert Fleming & Co. Limited Hambros Bank Limited Hill Samuel & Co. Limited
Lazard Brothers & Co., Limited Lloyds Merchant Bank Limited Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited J. Henry Schroder Wagg & Co. Limited S.G. Warburg & Co. Ltd.

A copy of this document, which comprises the listing particulars in relation to the Company required by The Stock Exchange (Listing) Regulations 1984, has been delivered for registration to the Registrar of Companies in England and Wales in accordance with those Regulations. Application has been made to the Council of The Stock Exchange for the whole of the ordinary share capital, issued and to be issued, of the Company to be admitted to the Official List. This document is not for distribution in the United States or Canada.

KEY INFORMATION

The following information should be read in conjunction with the full text of this document.

THE BUSINESS

British Gas is the largest integrated gas supply business in the western world, providing over 99 per cent. of the natural gas used in Great Britain. It supplies over half of the energy used in British households and about a third of the energy used by British industry and commerce, after excluding fuel used for transport. It has nearly 17 million customers.

The primary activity of British Gas is the purchase, distribution and sale of gas, supported by a broad range of services to customers and by the marketing of gas appliances. British Gas supplements the purchase of gas from third parties by its own exploration and production activities.

More than half of the gas sold by British Gas is used by domestic customers, whose main point of contact with British Gas is provided by a network of nearly 800 showrooms. Industry, particularly the chemicals and engineering sectors, uses over a quarter of the gas sold. Commercial customers, such as schools, offices and hospitals, account for the remaining gas sales.

British Gas has an impressive record of business performance, of which the key features are:

- the total number of therms sold was nearly 40 per cent. higher in the year ended 31st March, 1986 than in the year ended 31st March, 1976 and 14 per cent. higher than in the year ended 31st March, 1981, despite some reduction in total United Kingdom energy demand since 1979
- overall market share in terms of energy supplied to final users (excluding transport) reached 44 per cent. in 1985 compared with 28 per cent. in 1975 and 39 per cent. in 1980
- significant improvements in productivity were reflected in the number of therms sold per employee increasing by nearly 32 per cent., and customers per employee increasing by more than 25 per cent., over the five years ended 31st March, 1986
- the level of profits in the last five financial years enabled a £3.6 billion capital expenditure programme, including the major developments of the South Morecambe and Rough gas fields, to be financed entirely out of cash generated from operations, while the cash resources increased by more than £600 million over the period.

In the past the affairs of British Gas were significantly influenced by government controls and constraints, in particular by the application of financial targets. Under this regime, which will cease to apply when the Company leaves the public sector, British Gas achieved in the five years ended 31st March, 1986 an average annual pre-tax return on net assets of 4.8 per cent. on a current cost basis and of 19.5 per cent. on an historical cost basis.

In preparation for the move into the private sector, the business of the Corporation was transferred to the Company in August 1986, and the capital structure has been changed by the introduction of indebtedness and the creation of share capital. In addition, a new regulatory regime has been established which places limitations on gas prices charged in the tariff sector (mainly domestic sales) but not in the contract sector (mainly industrial sales).

The Directors consider that there is potential for further steady growth in sales to customers in the domestic and commercial markets where British Gas has a strong position. In the industrial market there has been a substantial reduction in turnover this year, although the recent modest recovery in oil prices has enabled British Gas to recover some sales. The reduction in turnover should be offset by the benefit of lower gas costs in the current financial year and there is expected to be a further reduction in gas costs in the next financial year as a result of the delayed effect of the overall fall in oil prices in 1986.

The Directors recognise that the ending of government controls and constraints following the move out of the public sector will provide wider commercial opportunities than have been available in the past, and believe that there are good prospects for the future development of the business.

OFFER FOR SALE STATISTICS

Offer for Sale price (payable by instalments)	135p
Market capitalisation at the Offer for Sale price	£5,602.5 million
Price earnings multiple based on pro forma HCA earnings of 13.9p per Ordinary Share forecast for the year ending 31st March, 1987	9.7 times
Gross dividend yield at the Offer for Sale price based on notional net annual dividends of 6.5p per Ordinary Share	6.8 per cent.

FINANCIAL INFORMATION

British Gas prepares its accounts under the current cost convention so as to give due regard to the long life of its capital assets. The accounts include historical cost financial information in order to facilitate comparisons with publicly-quoted companies. Set out below are the unadjusted and pro forma results for the year ended 31st March, 1986 and the forecast results for the year ending 31st March, 1987 on a current cost and on an historical cost basis:

Current cost			Historical cost		
Year ended	Forecast for year ending		Year ended	Forecast for year ending	
31st March, 1986	31st March, 1987		31st March, 1986	31st March, 1987	
£ million	£ million	Unadjusted	£ million	£ million	
688	787	Operating profit	1,006	1,030	
782	836	Profit before taxation	1,100	1,071	
402	442	Profit after taxation	720	677	
£ million	£ million	Pro forma	£ million	£ million	
559	671	Profit before taxation	831	884	
287	362	Profit after taxation	559	575	
6.9p	8.7p	Earnings per share	13.5p	13.9p	

Notes:

- The profit forecast described in Part E of Section I is made by the Directors on the basis of the assumptions set out in Section V. In particular, the results for the year ending 31st March, 1987 would be affected if the weather were to vary significantly during the remainder of the year from the seasonal normal pattern.
- In arriving at the unadjusted profit before taxation forecast for the year ending 31st March, 1987 £86 million has been charged in respect of interest on the debenture issued to H.M. Treasury.
- Pro forma figures have been set out above in order to give an indication of the profit of British Gas for the year ended 31st March, 1986 and the forecast profit for the year ending 31st March, 1987 as if the new capital structure had been in place throughout the two years (see Part B of the accountants' report).
- British Gas charges the cost of replacing certain categories of fixed assets against the profit and loss account. The effect of this policy over the last five years is set out in Part D of Section I.
- Financial information on British Gas for the five years ended 31st March, 1986 is set out in the accountants' report (see Section IV).

STRUCTURE OF THE COMBINED OFFER

Under the Combined Offer H.M. Government is now offering for sale 4,025.5 million Ordinary Shares, representing 97 per cent. of the ordinary share capital, issued and to be issued, of the Company. This number includes up to 795.5 million shares which are the subject of separate offerings in the United States, Canada, Japan and Europe, all of which have been fully underwritten.

Under the Offer for Sale in the United Kingdom certain institutional investors are being allocated 1,615 million shares. A further 1,615 million shares are being made available to the general public (the "U.K. Public Offer"), including eligible British Gas customers, employees and pensioners. If valid applications under the U.K. Public Offer are received for more than 3,230 million shares, the allocations to institutional investors and to the overseas offerings will be reduced by 40 per cent. (964.2 million shares in aggregate) and the number of shares available for the U.K. Public Offer will be increased accordingly from 1,615-million to 2,579.2 million.

By 14th November, 1986 about five and a half million people had registered as customers with the British Gas Share Information Office. Each customer who is eligible has been guaranteed, on application, a minimum allocation of 200 shares; up to ten per cent. of the U.K. Public Offer has been set aside to give greater allocations to such customers who apply.

The Secretary of State is excluding from the Combined Offer 124.5 million shares, representing three per cent. of the ordinary share capital. Of these, 38 million shares are being offered separately by the Secretary of State to eligible British Gas employees and pensioners under the Free Offer, the Matching Offer and the Pensioner Free Offer (as defined in Section IX). In addition, eligible British Gas employees and pensioners will be given priority in allocations under the U.K. Public Offer. Of the ordinary share capital, issued and to be issued, of the Company five per cent. is being reserved for eligible British Gas employees and pensioners under these offers.

The balance of the shares excluded by the Secretary of State from the Combined Offer (not less than 86.5 million shares) is being retained by him to meet share bonus entitlements. If this balance is insufficient to meet the maximum entitlements to bonus shares arising from applications under the U.K. Public Offer, the Secretary of State will withdraw from the U.K. Public Offer such number of shares as is required to meet these entitlements. If it is sufficient, then any remaining balance of the retained shares will be reserved for entitlements to the share bonus under the overseas offerings. The Secretary of State will, if necessary, retain out of the overseas offerings any further shares required to meet overseas share bonus entitlements.

SPECIAL INCENTIVES: BILL VOUCHERS OR SHARE BONUS

Individuals buying shares under the U.K. Public Offer may be eligible to receive free of charge from H.M. Government either bill vouchers for use against gas bills from British Gas or a share bonus of one share for every ten held continuously for three years, subject to a maximum bonus of 500 shares. The bill vouchers will be issued over a period of three years on the basis of £10 for every 100 shares held continuously up to the relevant qualifying dates, subject to a maximum value of £250. Further details are set out in Section VIII.

INSTALMENT ARRANGEMENTS

The Offer for Sale price is 135p per Ordinary Share, of which 50p is payable on application, 45p on Tuesday, 9th June, 1987 and 40p on Tuesday, 19th April, 1988.

Until payment of the final instalment the Ordinary Shares sold on instalment terms will be registered in the name of National Westminster Bank PLC. In the first instance they will be represented by renounceable letters of acceptance, which will be superseded in due course by Interim Certificates issued by National Westminster Bank PLC.

The expected timetable for the issue of documents is set out in Section IX. On registration of a renunciation or transfer, the liability to pay instalments will pass to the renounee or transferee. Following payment of the final instalment, the Ordinary Shares will be transferred, free of stamp duty or stamp duty reserve tax, into the name of the last registered holder. A summary of the Instalment Agreement is set out in Section VII.

SPECIAL DEALING ARRANGEMENTS

Special arrangements have been made to facilitate and reduce the cost of dealings in small numbers of shares. Details of these arrangements are set out in Section IX.

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British Gas plc continued 3

DIRECTORS AND ADVISERS

Directors of the Company

Chairman Sir Denis Rooke, CBE FRS FEEng
Chief Executive Robert Evans
Executive Directors Christopher Wadsworth Brierley, Charles Edward Donovan, William George Jewers, CBE, James McHugh, FEEng, William Ronald Probert, Allan Sutcliffe
Non-executive Directors Roger Humphrey Boissier, Richard Greenbury, Sir Martin Wakefield Jacomb, Sir Leslie Smith
Company Secretary Gilbert Charles Hogg
 all of Rivermill House, 152 Grosvenor Road, London SW1V 3JL (the registered office of the Company)

Advisers

Financial advisers to H.M. Government N M Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU
Financial advisers to the Company Kleinwort Benson Limited, 20 Fenchurch Street, London EC3P 3DB
Solicitors to the Offer for Sale Slaughter and May, 35 Basinghall Street, London EC2V 5DB
Solicitors to the Company Herbert Smith, Watling House, 35 Cannon Street, London EC4M 5SD
Solicitors to the underwriters Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2V 7JA
Brokers to the Offer for Sale Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN; Hoare Govett Limited, Heron House, 319-325 High Holborn, London WC1V 7PB; James Capel & Co., James Capel House, 6 Bevis Marks, London EC3A 7JQ; Wood Mackenzie & Co. Ltd., 100 Wood Street, London EC2P 2AJ
Auditors and reporting accountants Price Waterhouse, Chartered Accountants, Southwark Towers, 32 London Bridge Street, London SE1 9SY
Reporting petroleum consultants ERC Energy Resource Consultants Limited, 15 Welbeck Street, London W1M 7PF
Accounting advisers to H.M. Government Touche Ross & Co., Chartered Accountants, Hill House, 1 Little New Street, London EC4A 3TR
Registrars and custodian bank National Westminster Bank PLC, Registrar's Department, Caxton House, P.O. Box 343, Redcliffe Mead Lane, Bristol BS99 7SQ

SHARE CAPITAL AND INDEBTEDNESS

Share capital following the Combined Offer

Authorised	£1,375,000,000	Ordinary Shares of 25p each	£1,037,500,000
£1		Special Rights Redeemable Preference Share of £1	£1

Issued and to be issued, and fully paid or credited as fully paid

The Ordinary Shares now offered for sale will rank in full for all dividends declared or paid on the ordinary share capital of the Company after the date of this document; special arrangements apply to capitalisation and rights issues and non-cash dividends during the instalment period.

Indebtedness

At the close of business on 10th October, 1986 British Gas had a secured short-term borrowing of £1 million, a secured loan of £5 million and finance lease commitments of £10 million. At that date British Gas had cash, bank balances and short-term investments amounting to £1,580 million.

Save as disclosed above, at that date British Gas did not have any loan capital outstanding or created but unissued, term loans or any other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase or lease commitments, mortgages, charges or any material guarantees or other material contingent liabilities.

On 20th November, 1986 a £2,500 million unsecured debenture was issued by the Company to H.M. Treasury as part of the overall change made in its capital structure. Except for this debenture British Gas has not, since 10th October, 1986, incurred any material indebtedness.

TIMETABLE

Completed application forms to be received by	10 a.m. on Wednesday, 3rd December, 1986
Basis of allocation expected to be announced by	Monday, 8th December, 1986
Dealings expected to commence in London at	2.30 p.m. on Monday, 8th December, 1986
Despatch of renounceable letters of acceptance expected on	Monday, 15th December, 1986
Last date for registration of renunciation	Friday, 20th February, 1987
Payment of second instalment	Tuesday, 9th June, 1987
Payment of final instalment	Tuesday, 19th April, 1988

DEFINITIONS

"Authorisation" the authorisation to supply gas granted to British Gas and described under "Regulatory Environment" in Section III
"billion" one thousand million
"British Gas" British Gas Public Limited Company and its subsidiaries and/or, as the case may be, their respective predecessors in business or any of them
"Bcf" billion standard cubic feet measured at 60 degrees Fahrenheit and 14.7 pounds per square inch (standard temperature and pressure)
"CCA" financial information prepared under the current cost convention (as explained in the accountants' report in Section IV)
"Combined Offer" the Offer for Sale and the separate offerings in the United States, Canada, Japan and Europe referred to herein
"Company" British Gas Public Limited Company
"contract customer" a person who is supplied with gas by British Gas under a contract which provides for a minimum supply in excess of 25,000 therms per annum or which is entered into in circumstances where tariffs are not appropriate
"Corporation" British Gas Corporation
"Gas Act" the Gas Act 1986
"HCA" financial information prepared under the historical cost convention
"Instalment Agreement" the agreement summarised in Section VII
"Interim Certificates" the certificates evidencing rights to and obligations in respect of Ordinary Shares to be issued pursuant to the Instalment Agreement pending payment in full of the Offer for Sale price
"lb/ft²" the pressure at a point measured as a force in pounds weight on every square inch of area
"MMbbl" million barrels
"Offer for Sale" the offer for sale of up to 3,548.2 million Ordinary Shares being made by N M Rothschild & Sons Limited on behalf of the Secretary of State and described herein
"Ordinary Shares" Ordinary Shares of 25p each in the Company
"petroleum" a range of naturally formed fluid substances consisting mainly of hydrocarbons, including gas, condensate and oil
"Secretary of State" the Secretary of State for Energy
"Special Share" the Special Rights Redeemable Preference Share of £1 in the Company
"tariff customer" a person who is supplied with gas by British Gas otherwise than under a contract which provides for a minimum supply in excess of 25,000 therms per annum or which is entered into in circumstances where tariffs are not appropriate
"UKCS" United Kingdom Continental Shelf

References to the supply or provision of gas are, unless otherwise stated, to the supply or provision of gas through pipes, and references to gas suppliers should be construed accordingly.

A therm is one hundred thousand British thermal units where one British thermal unit is the quantity of heat required to raise the temperature of one pound of water from 58° Fahrenheit to 59° Fahrenheit. One therm is approximately equivalent to 100 cu. ft of natural gas.

The statistics for market share and therms of gas sold, which are illustrated in the graphs in "The market for gas" in Part B of Section 1, are derived from the Department of Energy Digests of United Kingdom Energy Statistics. Such statistics are shown on a calendar year basis. In the case of gas, unless the context otherwise requires, figures refer to the total sales and market share of gas in the United Kingdom (whether or not the gas was supplied by British Gas). However, British Gas provides over 99 per cent. of the natural gas used in the United Kingdom. The proportion of the total energy market held by each fuel is measured in therms on the basis of heat supplied to final users and calculated after excluding fuel used for transport. In accordance with the general practice in the Digests, the energy market excludes oil for uses other than energy but includes all uses of gas, since statistics on its non-energy use are not available.

SECTION I

THE BUSINESS OF BRITISH GAS

A HISTORICAL BACKGROUND

Gas has been used as a source of energy in Great Britain since William Murdock made gas from coal in 1792 to light his home in Redruth, Cornwall. The first public supply of gas was made under a Royal Charter granted in 1812 to the Gas Light and Coke Company for street lighting in London. Street lighting continued to be the main application for gas for many years and by 1850 the number of gas suppliers had grown to nearly 700. Thereafter the use of gas in the home and in industry increased to such an extent that by the mid-1930s there were about eleven million gas customers.

In those early days gas was supplied by both private companies and municipal undertakings. However, the Gas Act 1948 resulted in the nationalisation of all 1,046 gas companies and undertakings in Great Britain and these were amalgamated into 12 largely autonomous Area Boards. At the same time the Gas Council was established to advise the Minister of Fuel and Power and to assist the Area Boards, for example by borrowing money and carrying out research on their behalf.

Until the 1950s gas was produced mainly from coal but sharp increases in coal and labour costs led to a stagnation in gas sales and prompted the search for more economic means of producing gas. The main technological advance achieved in the late 1950s and early 1960s was the production of high pressure gas through the gasification of oil using light petroleum distillates. This advance led to cost reductions, and gas sales increased significantly in the early 1960s.

Natural gas was first introduced on a commercial scale into Great Britain in 1964 when it was imported by British Gas in liquefied form from Algeria. This gas was landed at Canvey Island and distributed in a high pressure pipeline extending to Leeds and supplying eight of the Area Boards. At that time natural gas had to be processed to make it suitable for use in existing appliances.

The importance of natural gas grew as substantial quantities were discovered in the North Sea in the mid-1960s. Within two years of H.M. Government issuing the first North Sea production licences in 1964, it was decided that all gas appliances should be converted to use natural gas and that a national high pressure gas transmission system should be constructed. At this time and until 1982 all natural gas production from the UKCS had to be offered for sale to British Gas unless used for certain industrial purposes. The main conversion operation started in 1967 following the first landing of natural gas from the North Sea. Within little more than ten years the operation was completed and a total of about 35 million appliances used by more than 13 million customers had been converted to natural gas. The availability of abundant, low-cost supplies of natural gas enabled British Gas to achieve rapid growth; the number of therms of gas sold increased nearly four-fold in the twelve years ended 31st March, 1980.

Under the Gas Act 1972 the Gas Council was renamed the British Gas Corporation and took over the operations of the 12 separate Area Boards. This Act gave the Corporation increased power to search for and obtain supplies of gas and introduced the objective of profitability. It also continued the obligation contained in the Gas Act 1948 to supply premises within 25 yards of a gas main upon request; this obligation to supply was subsequently restricted to requests for supplies not exceeding 25,000 therms per annum. During 1983 and 1984 the Corporation disposed of the majority of its oil interests, for which it was not compensated, pursuant to directions from the Secretary of State.

In May 1985 H.M. Government announced its intention to sell shares in British Gas to the public and the necessary legislation (the Gas Act 1986) received Royal Assent on 25th July, 1986. This provided for the business of the Corporation to be transferred to the Company and established the regulatory regime (described in detail in Section III) which now applies to British Gas.

B REVIEW OF ACTIVITIES

1. Introduction

The primary business of British Gas is the supply of gas to domestic, industrial and commercial customers in Great Britain. It is an integrated business extending from gas fields to customers' premises by way of extensive transmission and distribution systems. Its activities range from the exploration for, and production of, natural gas to the sale, installation and maintenance of gas appliances.

British Gas reports its revenues and costs by reference to five separate profit centres of which by far the most important is the gas supply business. The turnover and operating results of these profit centres for the financial year ended 31st March, 1986 are set out below:

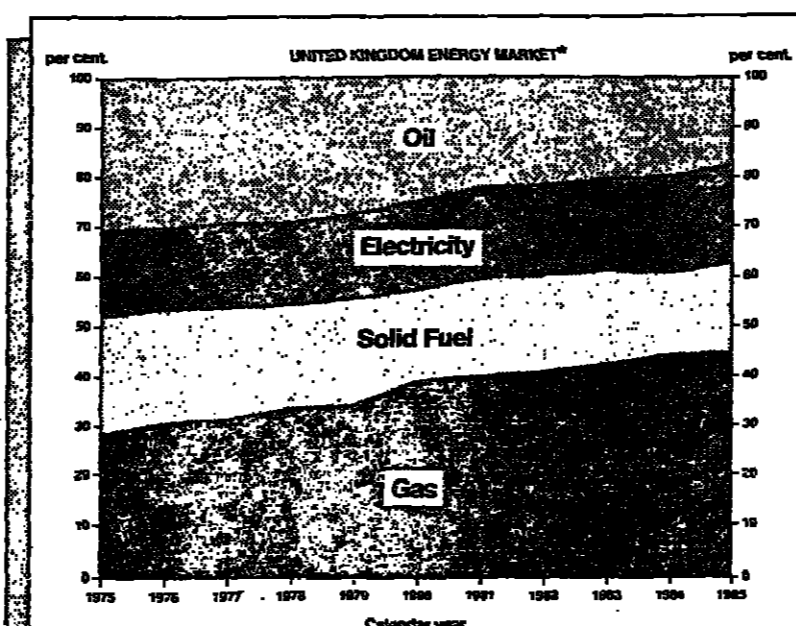
Profit centre	Turnover £ million	Operating results	
		CCA £ million	HCA £ million
Gas supply	7,109	703	1,006
Installation and contracting	275	11	13
Appliance trading	278	12	17
Exploration subsidiaries	94	(43)	(39)
Other activities	21	5	9
	7,777*	688	1,006

*£7,687 million after excluding £90 million of intra-group sales.

2. The market for gas

British Gas is the leading supplier in the United Kingdom energy market (excluding transport) and, as shown in the graph below, gas provided over 44 per cent. of energy supplied to final users in the year ended 31st December, 1985. If the non-energy uses of all fuels were included, its share of the wider market (again excluding transport) would have been 41 per cent. for the year.

During the period covered by the graph total annual energy demand in this market declined by six per cent., while annual consumption of gas increased. The success of gas owed much to its price relative to competing fuels, its attractiveness as a clean, controllable and reliable fuel, which unlike oil and solid fuel does not have to be stored by the customer, and to the marketing efforts of British Gas.



*See definitions for an explanation of market statistics. Source: Department of Energy Digests of United Kingdom Energy Statistics published by H.M.S.O.

British Gas has nearly 17 million customers in England, Scotland and Wales and provides over 99 per cent. of the natural gas used in the United Kingdom. A breakdown of its sales and customers by market is shown in the following table:

Market	Year ended 31st March, 1986		At 31st March, 1986	
	Therms sold	Sales value	Customers	
	%	%	%	
Domestic	53.7	61.2	96.5	
Industrial	31.6	24.6	0.5	
Commercial	14.7	14.2	3.0	
	100.0	100.0	100.0	

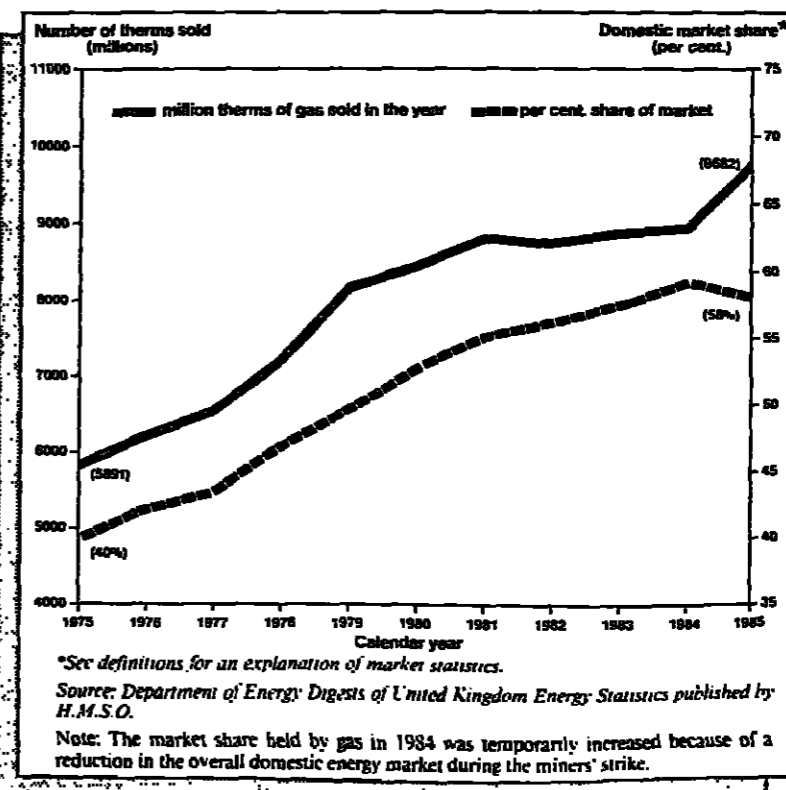
*Includes very small quantities supplied to power stations.

An analysis of the market for gas and of the activities of British Gas within that market is set out below.

(a) The domestic market

As illustrated in the graph, the number of therms of gas sold in the domestic market increased by more than 60 per cent. from 1975 to 1985. During this period the total demand for energy in the home increased by over 13 per cent. and the proportion held by gas rose from 40 per cent. to 58 per cent., mainly at the expense of solid fuel and, to some extent, oil and electricity.

Gas is used in the domestic market for home heating, water heating and cooking where it is in competition mainly with electricity. Competition in the domestic market is limited, at least in the short term, to the extent that most domestic customers cannot economically change their source of fuel, particularly for central heating which accounts for more than half of domestic gas sales.



British Gas has increased sales in the domestic market by three main methods: first, by encouraging more householders within the area in which a gas supply is already available to have a gas supply connected; secondly, by laying mains to extend this gas supply area; and thirdly, by promoting the use of gas in preference to other fuels, primarily by persuading existing customers to extend the range of gas appliances which they use.

British Gas plc continued 4

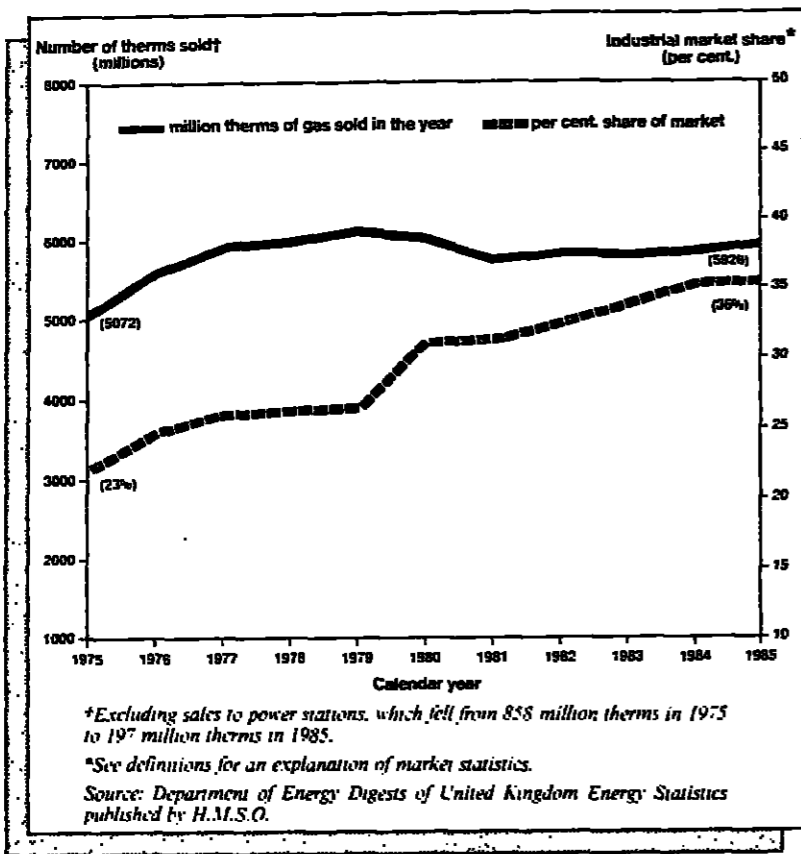
Of the 20.8 million households in Great Britain, some 17.8 million are within the existing gas supply area and, of these, more than 16.2 million are gas users. The number of households connected with gas has increased by nearly 1.3 million in the five years ended 31st March, 1986. New housing, which has been a significant source of growth, accounted for over half of this number. Over 80 per cent. of new homes built in Great Britain in the five years ended 31st March, 1986 have been connected with gas.

An important factor in the rise in domestic consumption in the five years ended 31st March, 1986 was the increasing use of gas for central heating. Of all central heating systems installed in this five-year period, 76 per cent. were gas-fired. The number of households in Great Britain with gas central heating is approximately 10.4 million.

Research and development are used extensively to support the domestic market. New materials and pipelaying methods have helped to reduce the costs of connection, enabling the gas supply area to be extended more economically. In addition, co-operation with manufacturers in the development of high-efficiency domestic boilers and of improved designs for cookers and fires has encouraged the wider use of gas appliances.

(b) The industrial market

Gas has a major share of the industrial energy market. Although the number of therms of gas sold declined as a result of the decrease in overall industrial demand for energy in the United Kingdom since 1979, gas was less affected than other fuels. The graph shows that gas increased its share of the industrial energy market (excluding transport) from 23 per cent. in 1975 to 36 per cent. in 1985. If the non-energy uses of all fuels were included, its share of the wider market (again excluding transport) would have increased from 19 per cent. to 29 per cent. in the same period.



In the current calendar year there has been a reduction in the number of therms sold and market share. While industrial sales by British Gas in the first quarter of 1986 showed little decline, a significant reduction took place in the period from April to August, when the number of therms of gas sold was nearly 20 per cent. lower than in the comparable period in 1985. This reduction resulted partly from lower sales of gas as a chemical feedstock caused by difficult conditions in the international fertiliser and methanol markets and, following the sharp fall in oil prices, partly from some customers with an alternative fuel readily available switching from gas. However, the recent modest recovery in oil prices has enabled British Gas to recover some sales. The total number of therms sold in the industrial market for the full calendar year is expected to be around 13 per cent. lower than for 1985.

The industrial market is highly diverse and is characterised by the large volume of gas supplied per customer, for the most part under individually negotiated contracts. Gas is used by many different types of customer for a wide range of processes, which can be divided into two principal categories.

In the first category, gas is used as a "premium" fuel, competing principally against gas oil and, in some sectors, liquefied petroleum gas and electricity. In this category gas is used primarily by customers who require a fuel which is clean, readily controllable and does not have to be stored. These customers normally enter into "firm" contracts with British Gas (that is, without provision for interruption). Examples of the industrial uses of gas as a premium fuel are direct drying in the food industry, heat treatment of metals and the manufacture of glass and ceramics.

In the second category, gas is used as a "non-premium" fuel, competing against heavy fuel oil and coal where crude bulk heat is required. British Gas usually sells such gas under terms which give it the right to interrupt supplies in order to assist in matching overall supply and demand. This right to interrupt supplies to certain industrial customers reduces the need for expensive peak supply facilities and is reflected in the lower prices charged under interruptible contracts.

In addition to the two principal categories, significant quantities of gas are supplied for use as a chemical feedstock in the manufacture of fertilisers, although there has been a substantial reduction in sales volume in the current year. Gas used as a chemical feedstock is supplied in bulk at somewhat lower prices than in other categories, mostly on an interruptible basis.

In the year ended 31st March, 1986 about 55 per cent. of the number of therms sold by British Gas in the industrial market were on an interruptible basis, representing some 12 per cent. of its total gas sales revenue. All customers supplied on this basis are responsible for having an alternative fuel available and can therefore readily switch from gas to the alternative fuel and vice versa. A fall in the number of therms sold to interruptible customers has been the principal reason for the reduction in industrial gas sales volume in the current year.

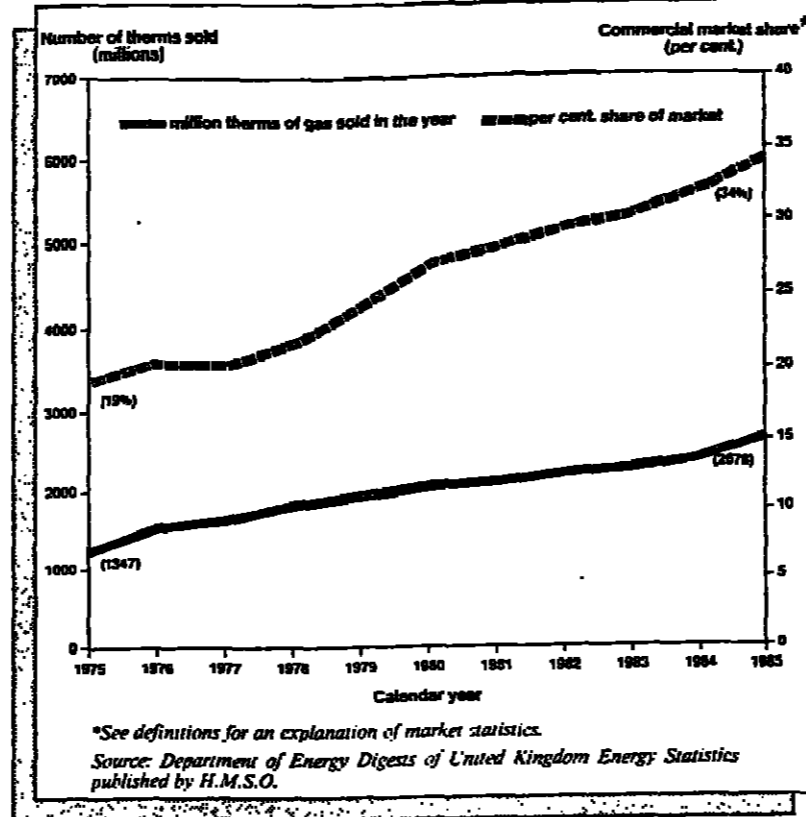
In the year ended 31st March, 1986 the three largest industrial customers of British Gas together accounted for 10 per cent. of total therms sold in all markets. The largest customer was Imperial Chemical Industries PLC, which accounted for 7 per cent. of total therms sold by British Gas in that year.

British Gas co-operates with manufacturers and its customers in the development of gas-burning equipment in order to enhance fuel efficiency, product quality and productivity and to strengthen the competitive position of gas in relation to other fuels. Advanced burner systems, which recycle waste heat by taking advantage of recuperative and regenerative techniques, have been developed to support sales into the industrial market.

(c) The commercial market

The number of therms of gas sold in the commercial market nearly doubled from 1975 to 1985, and gas increased its market share from 19 per cent. to 34 per cent. in the same period.

In the commercial market the average level of consumption per customer is lower than in the industrial market. No single type of user is dominant, the largest being the educational sector which accounted for about 20 per cent. of the number of therms sold by British Gas in this market in the year ended 31st March, 1986. Other users include shops, offices, hospitals, public buildings, hotels and restaurants. The commercial market, which predominantly comprises service industries and the public sector, has been less vulnerable than the industrial market to the level of activity in the economy as a whole.



About half of the gas supplied by British Gas to commercial users is sold on a tariff basis with the remainder sold under individually negotiated contracts, of which only a few are interruptible. More than two thirds of the gas consumed in the commercial market is used for space heating with water heating and catering accounting for most of the remainder. In space and water heating, gas competes mainly with oil and electricity, while in catering it competes mainly with electricity.

(d) Pricing

For pricing purposes customers are divided into two categories: in general, customers taking less than 25,000 therms per annum are charged according to published tariffs, while prices for customers taking greater quantities are individually negotiated with British Gas.

The table below shows the number of therms sold, sales value and average price per therm in the tariff and contract sectors for the year ended 31st March, 1986:

	Therms sold	Sales value	Average price per therm
	millions	£ million	p
Tariff sector⁽¹⁾			
Domestic ⁽²⁾	9,898	4,234	42.8
Industrial	313	118	37.7
Commercial	1,464	557	38.0
Total tariff sector	11,675	4,909	42.0
Contract sector			
Industrial ⁽³⁾	5,603	1,604	28.6
Commercial ⁽³⁾	1,423	486	34.2
Total contract sector	7,026	2,090	29.7
Total gas sales⁽⁴⁾	18,701	6,999	37.4

- (1) The effect of spreading the standing charge over different numbers of therms sold per customer accounts for the variations in average price per therm sold in the tariff sector.
- (2) The commercial contract sector includes 148 million therms of domestic contract sales.
- (3) Includes very small quantities supplied to power stations.
- (4) Total gas sales exclude £110 million of income, primarily in respect of essential service revenue and gas used for own purposes, which is included in the turnover of the gas supply business.

(i) Tariff sector

In the year ended 31st March, 1986 tariff sales accounted for approximately 70 per cent. of the gas sales revenue of British Gas. The great majority of tariff customers are domestic customers but there are some 480,000 commercial and 76,000 industrial tariff customers. Prices paid by tariff customers consist of a standing charge and a rate per therm (which is generally uniform throughout Great Britain). In recent years, while British Gas was a nationalised industry, tariff prices were set in order to take account of a number of factors but they were particularly influenced by financial targets agreed with H.M. Government. Competition with other fuels has also been a factor but, in general, gas prices in the tariff sector have been below those of competing fuels with the exception of coal.

Under the regulatory regime established by the Gas Act, British Gas is subject to a system of price control covering the tariff sector and is required to take all reasonable steps to ensure that the average price charged to tariff customers (including the standing charge) does not exceed a maximum determined by a price formula. British Gas is not subject to profit control and prior regulatory approval for price increases is not required, provided the maximum determined by the formula has not been exceeded. The formula governs changes in the maximum price (whether increases or decreases) from the level applying in the year ending 31st March, 1987 and its broad effect is:

- (a) to allow the cost per therm of gas purchases, changes in which are largely affected by factors outside the control of British Gas, to be passed on in full to tariff customers; and
- (b) to encourage operational efficiency by limiting the element of the tariff price not represented by gas purchase costs by reference to the annual rate of change in the Retail Price Index less two percentage points ("RPI-2").

The price formula comes into effect on 1st April, 1987; until then tariff prices may not be increased. The terms of price control provide for the formula to remain in force until at least 1st April, 1992; the details of the price control system and the circumstances under which it can be modified are explained in Section III.

(ii) Contract sector

The contract sector, which covers some 24,000 premises (mainly in the industrial or commercial markets), accounted for approximately 30 per cent. of the gas sales revenue of British Gas in the year ended 31st March, 1986. The prices charged to contract customers are individually negotiated with regard to a number of factors, including whether the contract is on a firm or interruptible basis. Although many contract customers are of long standing, they are able to suspend or discontinue supplies at relatively short notice. Generally contract prices have taken into account competitive market conditions as well as the costs of supply but in the past they have also taken account of financial targets agreed with H.M. Government. The targets in recent years were achieved without the need for the price of gas to rise in line with the price of oil (its principal competitor) with the result that gas prices were, in general, significantly lower than the prices of competing fuels other than coal.

There was a rapid fall in crude oil prices from over U.S.\$25 per barrel towards the end of 1985 to about U.S.\$10 per barrel by the end of June 1986. This led to a reduction in the prices of competing oil products and put pressure on British Gas to lower its prices, particularly under interruptible contracts. British Gas responded to these lower oil prices by, where appropriate, reviewing contract prices more frequently, often on a monthly basis for interruptible customers and on a three-monthly basis for firm customers, and reducing prices. However, following the modest recovery in oil prices, selling prices for gas have firmed, consistent with market conditions.

The contract sector is not subject to price control, but British Gas has published the maximum prices which it will, until further notice, charge in the contract sector. British Gas has also indicated its intention, subject to certain qualifications, to limit increases in published maximum firm contract prices for a period of three years to about the rate of inflation.

(e) Market support

British Gas attaches great importance to the activities which support its gas marketing efforts. In the domestic market, showrooms are the main point of contact with the public and the principal support activities include appliance retailing and customer service. In the industrial and commercial markets, British Gas provides a technical consultancy service which assists customers in making a more efficient and cost-effective use of gas.

(i) Showrooms

British Gas has a network of almost 800 showrooms, mainly in high street locations or in shopping centres. A large number of customers pay their bills through these showrooms. In addition, showrooms are used for the sale of domestic gas appliances and heating systems, dealing with customer service work, giving energy conservation advice and handling applications for gas supply as well as general enquiries.

British Gas seeks to make profits from its appliance trading activities while aiming to maximise sales of appliances in support of the wider use of gas in the domestic market. In the year ended 31st March, 1986 British Gas sold about 100,000 central heating systems, 700,000 space heaters, 500,000 cookers and 100,000 other appliances, primarily from the showrooms, but also directly to trade and wholesale customers. As part of the support to the sale of both gas and gas appliances British Gas uses its own service engineers to install appliances sold through its showrooms and offers a high level of maintenance and spare parts service, covering almost 3,900 different models.

Appliance trading is accounted for as a separate profit centre and its results are stated after deducting a proportion of showroom costs. Other showroom costs are charged to the gas supply business and to the installation and contracting account in order to reflect the extensive support provided by the showrooms to these activities.

British Gas carries out a continuous review of its network of showrooms — opening, modernising, relocating or closing as appropriate. Rationalisation of the showrooms has resulted in a ten per cent. reduction in their number since 1982.

(ii) Customer service

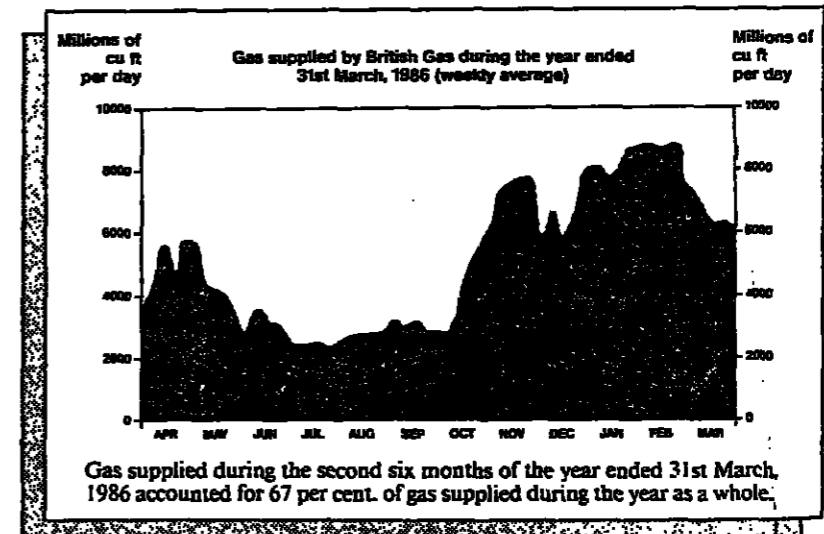
British Gas offers a broad range of customer services in two main categories, "essential service" and "installation and contracting".

Essential service, which is accounted for within the gas supply business, includes dealing with gas escapes and other emergencies, installation and repair of meters, request servicing of appliances and basic safety checks on specific appliances or for customer groups such as the elderly and the disabled. British Gas has established strict targets for speed of response to emergency calls and well defined standards of service for other work, and considerable resources are provided to ensure that customers can report emergencies easily and quickly. British Gas has given a written assurance to the Secretary of State that a range of services now available to domestic customers will be maintained while the current system of price control continues.

Installation and contracting has been developed on a commercial basis to counterbalance the highly seasonal nature of essential service work. In recent years service contracts for central heating and gas appliances have provided a significant growth in work load and have assisted in maintaining safety. During the year ended 31st March, 1986 service contracts covered more than 3.5 million appliances, representing an increase of 22 per cent. over the last five financial years, and British Gas installed over 100,000 central heating systems and 1.6 million other gas appliances. All these activities are accounted for under the heading of installation and contracting.

3. Matching gas supply and demand

Demand for gas varies markedly from season to season as illustrated in the graph below. On a very severe winter's day it can be five times that on the warmest summer's day and almost twice the daily average for the year as a whole.



Much of the seasonal change in demand is met by varying the amount of gas taken from producing fields by British Gas under its gas purchase contracts. Most contracts contain provisions for varying the offtake from fields at different times of the year within specified ranges. The extent of this variation is referred to as the "swing factor" which is the ratio of the maximum supply contracted to be available each day to the average daily contracted supply for the whole year. The higher the swing factor, the greater the flexibility in meeting seasonal demand.

If peak demand were to be met from variations in offtake alone, an overall swing factor of about 2.3 would be required. Flexibility at higher levels of demand can often be achieved more economically in other ways and therefore British Gas has negotiated gas purchase contracts which, taken as a whole, currently have a swing factor of only 1.5. Contracts for the supply of gas from the Southern Basin of the North Sea generally have a swing factor of 1.67, while those for the Northern Basin have a swing factor of 1.3 or less.

In order to supplement gas purchased under contract and to help meet winter demand, British Gas uses both seasonal supplies and peak storage. Seasonal supplies are those which can be operated for extended periods during the winter and comprise the specially developed South Morecambe, Rough and Sean gas fields. Peak storage has been developed to meet exceptionally high peaks in demand for gas which occur for short periods in severe winter weather. For this purpose British Gas uses gas from liquefied natural gas facilities and gas from underground storage cavities.

In addition to increasing supply during the winter through the use of these facilities, British Gas may also limit the overall level of demand which needs to be satisfied by interrupting supplies to certain large industrial and commercial customers. Interruptible contracts give British Gas the facility to suspend supplies typically for up to an aggregate of 63 days within a year, although in practice little or no interruption takes place in milder winters.

As well as seasonal variations in demand there are variations during the course of the day when maximum hourly demand may be as much as four times the minimum level. To meet daily variations in demand, gas is stored in local gas holders and within the transmission system itself.

Since the introduction of natural gas from the North Sea in 1967 British Gas has been able to satisfy increased demand during peak winter periods and has not been forced by peak demand to suspend supplies to its tariff or firm contract customers.

The negotiation of new gas purchase contracts and the construction of new supply or storage facilities have long time scales. An important feature of the business is therefore the need to plan these future sources of supply and facilities several years in advance to meet forecast annual and peak gas demand, while retaining flexibility to help meet new developments in the market.

4. Gas supplies

(a) Gas purchase contracts

All natural gas production from the UKCS is either purchased or owned by British Gas, with the exception of very small quantities used by other producers in the manufacture of chemical feedstocks. In the year ended 31st March, 1986 approximately 75 per cent. of the total gas supplied by British Gas came from United Kingdom sources and the remainder from the Norwegian sector of the North Sea. Approximately 95 per cent. of total supplies was purchased by British Gas from third parties and the balance was produced from its own interests. Currently there are some 27 fields or groups of fields under contract to British Gas.

Production of UKCS gas began in 1967 from the West Sole field in the Southern Basin of the North Sea. By 1972, four more Southern Basin gas fields were in production and virtually all the gas from these first five fields (the "Early Southern Basin Fields") was, and continues to be, purchased or owned by British Gas.

A continuing increase in demand for gas, particularly following the dramatic rise in the price of oil in 1973/74, led British Gas to contract for the purchase of gas from the Frigg field (the majority of which lies in the Norwegian sector of the North Sea) and the Brent field. The Frigg contracts were the first gas purchase contracts under which the price varied solely as a result of energy-related escalation factors. In consequence, changes in oil prices have had a much greater effect on the cost of supplies from Frigg than on the cost of supplies from the Early Southern Basin Fields.

A further increase in demand for gas during the late 1970s and the beginning of the 1980s and the expectation that supplies from the Early Southern Basin Fields would start to decline led British Gas to enter into contracts for the purchase of gas from other UKCS fields, which were in general significantly more expensive to develop than the Early Southern Basin Fields. The prices initially paid for gas from these recent UKCS fields were of the same order as prices then being paid for gas from Frigg.

The proportion of gas taken from the Early Southern Basin Fields relative to the proportion taken from other fields has declined over the years. In the year ended 31st March, 1982, 61 per cent. of total supplies came from the Early Southern Basin Fields. In the year ended 31st March, 1986 the figure was 44 per cent. but it is not expected to fall below 30 per cent. of projected total supplies within the next five years. Supplies from Frigg accounted for approximately 31 per cent. of total supplies in the year ended 31st March, 1986, but they are estimated to fall to less than 10 per cent. of projected total supplies within the next five years.

Most British Gas purchase contracts provide for an initial term of approximately 25 years, although they can terminate earlier if there are insufficient economically recoverable reserves in the field or if the relevant government production consent should expire and not be renewed. Production from a field usually increases rapidly to a plateau lasting for a number of years. It then declines progressively towards the end of the field's life although, following re-negotiation and possible extension of a contract, additional facilities may be installed to offset declining production.

The price payable for the gas is generally determined for the whole length of the contract by reference to a base price and the operation of price variation provisions. In addition, each contract commits British Gas to pay for annual or daily quantities, whether the gas is taken or not. However, there is flexibility in not taking gas for gas paid for, but not taken, to be taken or credited in later years. Take or pay balances due after one year increased from £36 million at 31st March, 1982 to £152 million at 31st March, 1986. No balances carried forward under take or pay provisions have been written off and, on the basis of its supply and demand projections, British Gas has no expectation of a write-off in the foreseeable future.

Prices payable by British Gas under its gas purchase contracts vary widely. While the overall average price paid in the year ended 31st March, 1986 was 17.2p per therm, the average price paid in that year for gas from the Early Southern Basin Fields was very substantially below this level and the prices paid for gas from Frigg and recent UKCS fields were very substantially above this level. Following the Gas Levy Act 1981, UKCS gas purchased by British Gas under contracts entered into before 1st July, 1975 (and accordingly exempt from United Kingdom petroleum revenue tax) has attracted a levy payable by British Gas to H.M. Government, which currently stands at 4p per therm. This took the overall average cost of gas for the year ended 31st March, 1986 to 19.9p per therm when the levy applied to approximately 65 per cent. of gas purchased. Under the Gas Act the levy may not be increased before 1st April, 1992.

The recent effect of price variation provisions under contracts for the Early Southern Basin Fields and under most other UKCS field contracts concluded before 1980 results in prices being determined largely by the rate of United Kingdom general inflation, as measured by the Producer Price Index. In the case of other contracts, price variations are determined by reference to the prices of competing fuels, such as heavy fuel oil, gas oil and electricity, as well as (in some cases) the Producer Price Index and other price indicators. In most contracts, price variation occurs annually, so that prices in a given period reflect the level of the relevant indices in an earlier period. This means that the effect of changes in the indices takes some time to work through to gas purchase costs, so that, for example, only part of the fall in oil prices in the first half of 1986 will be reflected in gas costs for the year ending 31st March, 1987.

The effect on overall gas purchase costs of changes in the price of oil depends on a number of factors. Any explanation therefore involves assumptions and can be broadly indicative only. On this basis and taking the actual and quantity of supplies to British Gas during the year ended 31st March 1986, a ten per cent. general movement in oil prices (from their average level over the period from April to June 1986) would eventually lead to a movement of approximately four per cent. in total gas purchase costs, assuming exchange rates and all other factors remained unchanged. If the change occurred at the beginning of a financial year, only a small proportion of this movement would occur in the first year, with most occurring in the second year and the remainder in the third year.

Although gas purchase prices are denominated in sterling, they are affected by changes in exchange rates. This effect is direct in cases where the variation provisions include an indicator denominated in a foreign currency but converted into sterling, such as the price of crude oil, and indirect where a United Kingdom indicator which is itself sensitive to an exchange rate, such as heavy fuel oil, is included. There is a further direct effect in the case of the Frigg contracts because the price provisions include adjustments, which operate monthly, to take account of changes in the value of sterling against other major currencies. Again only a broad indication of the impact of exchange rate changes can be provided; on the basis of the actual mix and quantity of supplies to British Gas during the year ended 31st March, 1986, a ten per cent. weakening of sterling against all other currencies (from the average level over the period from April to June 1986) would lead to an increase of approximately six per cent. in total gas purchase costs, assuming US dollar oil prices and all other factors remained unchanged while on the same basis a ten per cent. strengthening of sterling would lead to a reduction of approximately five per cent. If the change occurred at the beginning of a financial year, well over half of the movement in gas purchase costs would occur in that year and almost all the remainder in the following year.

(b) Exploration and production

British Gas has been involved in exploration for petroleum since the mid-1950s and now has the largest single share (approximately 15 per cent.) of proven and probable gas reserves in the UKCS. In the early years the involvement of British Gas was confined to joint venture arrangements, with other companies as operators. Its first joint venture well in the North Sea was drilled in 1966; subsequently British Gas became an operator and drilled its first offshore well in 1974 when the South Morecambe gas field was discovered. The interests of British Gas in producing gas fields accounted for about five per cent. of its total gas supplies in the year ended 31st March, 1986. These activities are accounted for under the heading of exploration subsidiaries.

British Gas owns interests in 65 licences, covering 55 blocks off the UKCS, 14 blocks off the coast of the Republic of Ireland, 10 blocks off the coast of Denmark (awarded in 1986) and a number of areas in Great Britain. It is operator for 22 of these licences.

In the five years ended 31st March, 1986 British Gas was involved in drilling a total of 113 exploration and appraisal wells including 28 as operator. In this period 89 exploration wells were drilled, 36 per cent. of which flowed petroleum on test. Past successes include a number of significant oilfield interests, notably the discovery of a major onshore oil field at Wytech Farm, Dorset in 1974 with British Gas as operator. However, in 1981 British Gas was directed under the Gas Act 1972 to dispose of its 50 per cent. interest in the licence covering the Wytech Farm oil field; this was completed in May 1984. Under the Oil and Gas (Enterprise) Act 1983 British Gas was directed to dispose of its interests in five offshore oil fields and its interests in 20 further offshore blocks considered to have oil-bearing potential or where oil had already been discovered. These disposals were completed in 1983 and formed the initial assets of Enterprise Oil plc, although no British Gas staff were transferred to that company. The loss of these oil interests, for which British Gas was not compensated, means that the exploration and production achievements of British Gas are not fully reflected in the current level of petroleum reserves or in the profit record.

The existing petroleum interests of British Gas have been reviewed by ERC Energy Resource Consultants Limited ("ERC"), independent petroleum consultants, whose report (including relevant definitions) is set out in Section VI. Their analysis of the remaining petroleum reserves attributable to British Gas at 30th June, 1986 is summarised below:

Proven + Probable reserves	Gas		Oil and Condensate	
	Bscf	MMbbl	Bscf	MMbbl
Commercial	5,385	25.79		
Potentially Commercial	1,466	6.02		
Technical	802	43.70		

The Commercial Reserves of British Gas are held in seven developed fields. Two of these, the South Morecambe gas field, which represents about 80 per cent. of these reserves, and the Rough gas storage field, are wholly-owned interests of British Gas and are of strategic importance, being used as sources of supply to meet winter demand. The other commercial fields in which British Gas has interests are the Leman and Indefatigable gas fields in the Southern Basin of the North Sea and three small onshore oilfields in Great Britain.

The Potentially Commercial Reserves are contained in ten petroleum discoveries. Seven are dry gas discoveries on the UKCS, including the North Morecambe discovery, and three are small onshore oil discoveries.

The Technical Reserves are contained in 14 petroleum discoveries, mostly of gas and condensate.

5. The supply network

The supply network consists of high-pressure pipelines for bulk transmission of gas and low-pressure mains for local distribution, together with seasonal supply and gas storage facilities.

(a) The transmission and distribution systems

Natural gas is delivered by producers to five coastal terminals where, after treatment and measurement, it passes into the national transmission system. The national transmission system carries the gas, in large volumes and at high pressure, from these coastal terminals to over 100 locations spread around Great Britain, where it passes into the regional transmission and distribution systems.

The national transmission system consists of some 3,300 miles of pipeline in sizes of up to 42 inches in diameter, operating at high pressure (up to 1,100 lbf/in²). Fifteen compressor stations have been constructed at various points in the system to restore pressure losses during transmission, thereby increasing the capacity of the pipelines. The compressors are driven by industrial derivatives of high-powered aircraft gas turbines such as Rolls-Royce Avons and RB-211s. Gas then passes into the regional transmission system, which comprises approximately 7,650 miles of high-pressure pipelines. These convey the gas to the main centres of demand.

At these centres gas passes from the regional transmission system to the distribution systems through pressure reduction stations. The pressure is then reduced progressively until the gas reaches customers' meters through individual service pipes, normally at around 0.4 lbf/in². The distribution systems consist of some 135,000 miles of low-pressure mains ranging from 2 inches to 48 inches in diameter and there are individual service pipes to nearly 17 million customers.

British Gas attaches particular importance to the safety and security of supply of the transmission and distribution systems. It applies standards and codes of practice to cover the engineering procedures and activities of the system such as design, materials, methods of construction, testing, commissioning, inspection and maintenance. These standards and codes are based on British or international standards as appropriate and include codes published by the Institution of Gas Engineers.

The transmission and distribution systems are also inspected regularly and routine maintenance is carried out to ensure safe, reliable and economic operations. An increasing number of transmission pipelines are inspected periodically from the inside using on-line inspection units developed by British Gas. A service is maintained 24 hours a day to deal with any plant or mains failures, public reports of gas escapes or other emergencies. British Gas believes that the transmission pipelines and distribution mains are in satisfactory condition and adequate in all material respects.

In order to ensure that the distribution mains remain in satisfactory condition, British Gas is carrying out a programme to replace certain categories of these mains. Until the 1960s distribution mains were predominantly made of cast iron. While many of these mains remain in good condition, a high and increasing proportion of new and replacement distribution mains laid in recent years has been made of medium density polyethylene and virtually all service pipes are now laid using this material. The replacement programme has mainly involved the replacement of cast iron mains in higher risk locations and was accelerated in the ten years ended 31st March, 1986. In this period a total of 19,300 miles of cast iron mains was replaced. Cast iron currently accounts for approximately 38 per cent. of distribution mains in use and polyethylene for 22 per cent. The continuing programme is expected to result in a further 8,700 miles of distribution mains being replaced over the next five years.

In order to reduce costs and to improve efficiency, British Gas has in recent years introduced new techniques and equipment designs, several of which have been developed in its own research stations. The costs of excavation and surface disturbance have been reduced by the introduction of narrow trenching techniques for mains-laying and pneumatic "moles", which pull service pipes and small diameter mains either through the ground or through existing pipes. "Live insertion" techniques have also been developed by which smaller pipes can be inserted into existing mains without interruption of the gas supply. In addition, easily replaceable modules are used to regulate the gas flow in distribution mains. These modules are small enough to be installed underground, thereby reducing maintenance costs, the impact on the environment and the likelihood of equipment damage.

(b) Seasonal supplies and storage of gas

The large volumes of gas needed to meet peaks in demand are provided by the following range of facilities:

(i) Seasonal supplies

These facilities are designed to be operated for extended periods during the winter, when large quantities of gas can be drawn at short notice.

● South Morecambe gas field

This field is one of the largest gas discoveries made on the UKCS and is a wholly-owned interest of British Gas. Located some 20 miles off the Lancashire coast, the facilities have been specially engineered to provide supplies of gas, initially during the winter only, for at least 40 years, instead of the more usual 20 to 30 years. The costs of producing gas from this relatively shallow field have been reduced by adopting, for the first time on the UKCS, a "slant" drilling technique, which increases the reservoir area capable of being drained from each platform. Production of gas commenced on schedule in the winter of 1984/85 and maximum gas production capacity of about 1,200 million cu.ft per day (equivalent to about ten per cent. of anticipated peak demand) is planned to be achieved by 1990, following completion of the second stage of the development. The construction of these additional facilities is scheduled to commence in 1987.

● Rough gas storage field

The Rough gas field, which is located in the North Sea less than 20 miles from the Humber estuary, is now used for gas storage. The field first came into production in 1975, when British Gas held a 50 per cent. interest. In 1980, when a large portion of the recoverable reserves had been extracted, British Gas purchased the remaining interest in the field. In order to develop its use for gas storage, new facilities have been installed by British Gas, both offshore and onshore. During periods of low demand, gas is drawn from the national transmission system and compressed into the field at a pressure which, when the field is fully developed, is planned to rise to some 3,700 lbf/in². Gas can be withdrawn from the field for use in winter and it is planned that the maximum output rate will rise to about 1,000 million cu.ft per day (more than six times its original peak daily rate) by 1988 when the development is completed.

● Sean gas fields

In addition to the seasonal supplies from the South Morecambe and Rough gas fields British Gas has contracted for the provision of seasonal supplies from the Sean fields, situated in the Southern Basin of the North Sea. The Sean fields are planned to supplement seasonal supplies, starting with the 1986/87 winter.

On the day of greatest demand for gas in the 1985/86 winter the South Morecambe and Rough fields produced 690 million cu. ft, contributing 7.5 per cent. of the total supply for that day.

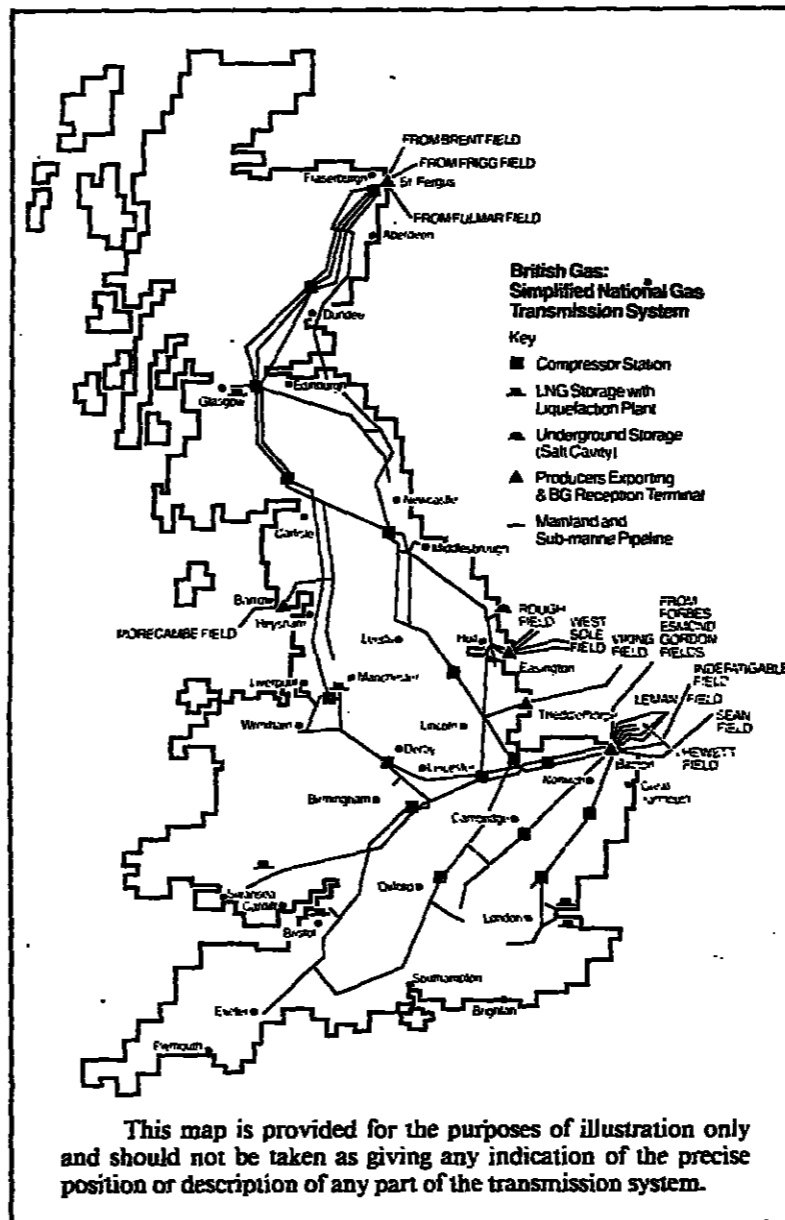
(ii) Peak storage

These facilities are designed to meet exceptionally high peaks in demand for gas, which occur for short periods in severe winter conditions, and to maintain supplies in the event of a pipeline or other supply disruption. British Gas has built six major liquefied natural gas storage installations in strategic positions. Gas is liquefied and stored at atmospheric pressure and at a temperature of minus 160°C, under which conditions it occupies 1/600th of its gaseous volume at standard temperature and pressure; it can then be re-gasified when extra supply is needed.

Gas is stored for the same purpose in salt cavities, which have been hydraulically excavated nearly 6,000 ft below ground level, at a site in North Humberside. Gas is compressed into the cavities at pressures of up to 4,000 lbf/in² at periods of low demand, to be stored at about 1/250th of its volume at standard temperature and pressure, and released when needed. Four cavities are in use and three more are under development.

(iii) Daily storage

In order to satisfy peak customer requirements during the day, it is economical to have storage available as close as possible to the point of demand. Nearly 1,000 local gas holders, filled mainly at night, fulfil this function, while further storage can be provided by using spare capacity in the transmission system.



This map is provided for the purposes of illustration only and should not be taken as giving any indication of the precise position or description of any part of the transmission system.

(c) Control of the supply network

The transmission system is controlled at two levels. Central control of the national system is Headquarters-based, with one control room in London, concerned primarily with overall supply strategy, and another in the Midlands, responsible for balancing supply against demand for the whole country on a day-to-day basis. At the second level there are twelve separate regional control centres, each directly connected to the Midlands control room and responsible for meeting demand within its own Region.

The control room in London is responsible for managing the offtake of gas from the fields. It also has responsibility for ensuring that contractual obligations are met and that planned contract quantities are taken. Projected demand for each day is based on estimates of demand made by the Regions which take account of forecast weather conditions. British Gas is normally required to give producers twelve hours' notice of its requirements for the following day.

The national transmission system is monitored continuously from the Midlands control room by telemetry using an extensive microwave network owned by British Gas and supplemented by other telecommunications facilities. The control room collects data from about 200 points on the national transmission system and is able to control valves and some compressor stations by remote operation.

Regional control centres are responsible for meeting the wide variations in demand experienced during the day. These centres have their own telemetry systems and operate in a similar manner to the Midlands control room. They monitor and control a large number of remote points on regional transmission systems, and can draw on gas stored in gas holders and in transmission pipelines. They also work closely with the Headquarters' control rooms in arranging for interruption of supply under sales contracts when necessary.

6. Research and development

British Gas undertakes research and development in three main areas: gas utilisation; gas transportation; and gas production and manufacture. Expenditure on research, development and testing in the year ended 31st March, 1986 amounted to £76 million. The main effort is deployed in five research stations and other specialist sites owned by British Gas. Work is also carried out in collaboration with universities and industrial concerns, including other energy companies, both in the United Kingdom and overseas.

Research undertaken by British Gas has led to many important advances in gas-related technology, often with export potential. Prominent among recent advances, the most important of which are described above under "The market for gas" and "The supply network", have been the on-line inspection systems, developed to scan high pressure pipelines from the inside for defects, using magnetic techniques and involving new micro-electronic technology.

For the longer term British Gas has developed technology for producing substitute natural gas from a variety of feedstocks. Current work is concentrated on coal using a slagging gasifier, which also has potential for chemical feedstock production and for electricity generation.

Operating profits for the years ended 31st March, 1982 and 1983 were enhanced as a direct result of substantial increases in tariff prices in 1980, 1981 and 1982. This was in line with a government policy of increasing domestic gas prices by 10 per cent. per annum in real terms over the three-year period...

(i) Weather

The turnover and profits of British Gas were affected by particularly cold winters in the financial years ended 31st March, 1982 and 1986 and by mild weather in the winter of the year ended 31st March, 1983. Abnormal seasonal temperatures have a direct effect on turnover, but the effect on profitability is more complex because of the resulting changes in costs.

(c) Turnover

Total turnover showed year-on-year growth of 14, 10, 8 and 11 per cent. during the five years under review. In each of those years the gas supply business accounted for more than 90 per cent. of turnover and annual increases in the turnover of the gas supply business of 15, 10, 8 and 11 per cent. were achieved.

(i) Gas prices

During the period under review there were year-on-year increases in average domestic prices per therm of 25, 5, 4 and 4 per cent. In the industrial market increases in average prices of 7, 5, 10 and 8 per cent. were recorded, while in the commercial market they amounted to 14, 4, 5 and 5 per cent.

Terms of gas sold

The number of terms of gas sold increased by 11 per cent. during the five years under review. After falling by approximately 2 per cent. in the year ended 31st March, 1983 the number of terms of gas sold rose by approximately 5, 3 and 5 per cent. in the following years. However, British Gas estimates that, if sales are adjusted to seasonal normal temperatures, year-on-year growth of approximately 1, 3, 3 and 4 per cent. was achieved.

(d) Gas costs

Average cost per therm of gas purchased (including gas levy) rose from 12p per therm in the year ended 31st March, 1982 to 19.9p per therm in the year ended 31st March, 1986, an increase of 62 per cent. The annual increase in this period were 14, 12, 16 and 10 per cent.

Changes in the mix of supplies, largely resulting from the decline in the proportion of gas taken from the Early Southern Basin Fields relative to the proportion taken from other fields, accounted for approximately one fifth of this total increase in gas costs, equivalent to an increase of approximately 14 per cent. in the average cost per therm purchased over the period under review.

The remaining four fifths of the increase was principally attributable to the operation of price variation provisions in gas purchase contracts. Through these price variation provisions, general inflation (as measured by the Producer Price Index), increases in oil prices and the decline in the value of sterling against the U.S. dollar and European currencies contributed significantly to the increase in gas costs.

(e) Operating costs

These comprise distribution costs and administrative expenses and principally include payroll costs and depreciation. They increased in total from £2,003 million in the year ended 31st March, 1982 to £2,401 million in the year ended 31st March, 1986 on a CCA basis, an increase of 20 per cent. On an HCA basis, operating costs increased from £1,768 million to £2,142 million, an increase of 21 per cent.

Payroll costs in total, including the element charged to cost of sales, rose by only 15 per cent. over the five-year period while the number of employees fell by some 16,000 to 89,747 at 31st March, 1986.

Depreciation charges showed a steady increase during the five year period, primarily reflecting the expansion of the supply network.

During the five-year period British Gas achieved operating efficiencies and volume increases which are reflected in the movement in operating costs per therm sold in the gas supply business. On a CCA basis the percentage increases/(decreases) were 8, (2), 1 and 1 and on an HCA basis the percentage increases/(decreases) were 8, (1), 3 and (1).

(f) Replacement expenditure

British Gas charges replacement expenditure as a trading cost although a number of companies capitalise such expenditure. Since 1st April, 1975 British Gas has charged the cost of replacing certain categories of fixed assets (principally mains, services and meters) against the profit and loss account, capitalising only that expenditure which represents an extension to, or a significant increase in, the capacity of those assets.

Table showing cumulative increase in net book value of fixed assets for years ended 31st March 1982 to 1986. Values range from 289 to 1,213 million.

In the current cost accounts the capitalisation of replacement expenditure would not affect the total depreciation charge nor the book value of fixed assets.

(g) Exploration and production

The exploration and production activities incurred losses in recent years as a result of the decision to continue with a full exploration programme after the divestment of the oil-producing interests of British Gas.

(h) Taxation

British Gas is subject to United Kingdom corporation tax, the statutory rates of which for the last five financial years were 52 per cent. for the years ended 31st March, 1982 and 1983, 50 per cent. for the year ended 31st March, 1984, 45 per cent. for the year ended 31st March, 1985 and 40 per cent. for the year ended 31st March, 1986.

During the earlier years of the period under review the effective rates of corporation tax payable by British Gas on HCA profits (the basis on which corporation tax is assessed) were substantially less than the statutory rates. This was because there was significant capital expenditure during this period when the rates of capital allowances were high.

United Kingdom petroleum revenue tax ("PRT") at a rate of 75 per cent. is chargeable on a field-by-field basis on profits from production of petroleum from United Kingdom and UKCS fields, after royalties (up to 12.5 per cent.) where applicable, and after various costs, production allowances and other adjustments.

OUTLOOK FOR THE FUTURE

1. Profit forecast

(a) Background to the profit forecast

In view of the seasonal nature of its business, British Gas normally generates all of its annual operating profit during the winter months and the results of the first half of its financial year usually show a loss.

The unaudited operating results of British Gas for the first quarter of the current financial year show a higher profit than for the same period of the previous year, but the 1986 results were affected by a number of exceptional factors (see Section V). However, when the performance of the business since 30th June, 1986 is taken into account, it is expected that the operating results for the first half of the current financial year will be broadly in line with those for the same period of the previous year and are expected to show a small loss on an HCA basis and a larger loss on a CCA basis.

The profit forecast for the full year reflects an expected reduction in turnover compared with the previous year. The turnover in the tariff sector is projected to be slightly higher than that of the previous year. For the year as a whole there is expected to be a very substantial reduction in the turnover of the interruptible contract sector and some reduction in the firm contract sector, although a modest recovery in the number of terms sold in the interruptible contract sector is expected during the second half of the financial year.

The profit forecast also reflects an expected significant fall in gas purchase costs (principally as a result of more favourable exchange rates and, to some extent, lower oil prices) which should offset the loss of turnover in the interruptible contract sector.

In comparison with the previous year, the operating results will benefit from expected higher production from the South Morecambe field. Operating costs will increase broadly in line with inflation after allowing for this year's reduction in pension fund contributions and despite the costs associated with the flotation. Additionally, the fall in gas purchase costs will result in the current cost working capital adjustment being a credit (thereby increasing CCA operating profit); in previous years the adjustment has been a charge (thereby reducing CCA operating profit).

The forecast includes the effect of colder than average temperatures experienced in the first part of this financial year but it is based on the assumption that seasonal normal temperatures will prevail for the remainder of the year. In comparing the forecast with the results for the previous year, the increase in operating profit in that year resulting from the colder than average winter should be noted.

(b) Profit forecast

The Directors consider that, in the absence of unforeseen circumstances and on the assumptions set out in Section V (in particular that there will be average weather conditions in the coming winter), the operating profit, the profit before taxation and the profit after taxation for the year ending 31st March, 1987 are unlikely to be less than the amounts set out in the table below:

Table showing Profit forecast for the year ending 31st March, 1987. Columns for CCA and HCA, rows for Operating profit, Profit before taxation, Profit after taxation.

The forecast profit before taxation includes interest charges (payable from 8th December, 1986) of £86 million on the debenture issued to H.M. Treasury.

(c) Pro forma profit and earnings per share forecast

If the new capital structure had been in place for the whole of the year ending 31st March, 1987 (see Part B of the accountants' report) the related interest charges for the year would be £269 million. On this basis the pro forma profit before taxation, profit after taxation and earnings per share would be as follows:

Table showing Pro forma forecast for the year ending 31st March, 1987. Columns for CCA and HCA, rows for Profit before taxation, Profit after taxation, Earnings per share.

2. Dividend forecast

For the current financial year the Directors expect to pay a single dividend which, in the absence of unforeseen circumstances, is expected to be 4.0 pence per Ordinary Share net (equivalent to 5.6 pence per Ordinary Share inclusive of tax credit), payable in October 1987.

Subsequently, the Directors expect to recommend in respect of the financial year an interim and a final dividend which will normally be paid in March and October respectively. In the absence of unforeseen circumstances, the Directors intend to determine the total dividend by reference to the profit after tax at current cost.

If the Offer for Sale had taken place at the beginning of the financial year and the new capital structure had been in place throughout the year, the Directors would have expected, on the basis of the profit forecasts set out above, to recommend dividends totalling 6.5 pence per Ordinary Share net (equivalent to 9.2 pence per Ordinary Share inclusive of tax credit). Notional dividends represent a gross yield, at the Offer price, of approximately 6.8 per cent. Compared with the pro forma forecast of 5.6 pence per Ordinary Share, they would have been covered 1.24 times by the pro forma cost earnings of 8.7 pence per share and 2.13 times by the pro forma earnings of 13.9 pence per share.

3. Business prospects

British Gas has always sold gas in competition with other fuels and the Directors are confident that it will continue to compete effectively in the future.

(a) Domestic market

British Gas has built up a very strong position in the domestic gas market and in the foreseeable future it expects to remain the principal supplier of natural gas to this market. British Gas has approximately 250,000 domestic customers in each of the last three financial years and the Directors aim to expand the market for gas further, both in terms of premises, houses, by active marketing. A major element of sales growth is expected to come from new installations of gas central heating systems and British Gas will continue to use its appliance trading activity to promote the sale of gas heating. The main competition in the domestic market is electricity, but the Directors expect that over the next few years gas will maintain its competitive edge and that gas sales in the domestic market will continue to show steady growth after allowing for the effects of the energy crisis.

(b) Commercial market

In the commercial market the Directors expect continued growth in the consumption of energy as a result of growth in the service sector of the economy. In this market, where there is competition from other fuels, the Directors believe that gas prices will, in general, be competitive and that there is good potential for further sales growth.

(c) Industrial market

In the industrial market competitive pressures necessitate a prompt response, particularly where customers are able to transfer quickly between gas and an alternative fuel. In the non-premium contract sector of the industrial market British Gas responded to the reduction in oil prices by offering a substantial fall in terms sold; however, following the recovery in oil prices, some sales volumes have been recovered. In the premium contract sector, non-premium market are closely linked to movements in the price of oil, which cannot be predicted with any certainty. British Gas will continue to adopt a responsive position in this sector with the aim of maintaining a profitable business. In this it will be assisted by the fact that gas costs resulting from the fall in oil prices will not be realised until the year ending 31st March 1987.

In the premium contract sector of the industrial market, British Gas has over the last year increased competition by offering a range of premium qualities of gas. The Directors believe that the premium qualities of gas as a fuel will continue to compete effectively and that there are good prospects for sales growth in this sector in the medium term.

(d) Competition in gas supply

In addition to competition with other fuels, British Gas faces a potential since 1982 for competition from other suppliers of gas under "common carriage" provisions which allow domestic consumers to purchase gas from the British Gas supply network although no more than 10 per cent. of the capacity of these common carriage rights. The provisions of the Act also give consumers the right to third parties but retain certain safeguards for British Gas.

The Directors are unable to assess the extent to which other suppliers will take advantage of the facility to sell gas directly to end users in Great Britain. Existing contracts for the purchase of gas and the requirement for new contracts to replace existing supplies as they expire are subject to the assumption that the Company will continue to supply gas to its customers for gas. If a substantial proportion of the gas currently supplied to the industrial sector were to be lost as a result of direct supply, the effect on the Company would be a significant adverse effect on profit and cash flow. The Company has requirements to meet the lower demands. There is also the possibility of an effect arising from downward pressure on the price of gas in the medium term. However, it is unlikely that common carriage gas will be sold in significant quantities before 1990 because of the lead time required to bring new suppliers on line and British Gas intends to compete effectively in the medium term.

(e) Future gas supplies

British Gas has supplies under contract which will last for the next five years. The Directors believe that supplies under these contracts will be sufficient to meet gas demand over the next five to seven years ahead. During the next five years British Gas will continue to negotiate for the further supplies of gas necessary to meet the demand forecast for the mid and late 1990s. There are potential supplies potentially available to Europe with substantial reserves of gas which have already discovered but undeveloped on the U.K.S. shelf, the North Sea and further afield. Subject to necessary government approval, British Gas intends to meet its further supply requirements from a range of sources.

(f) South Morecambe

British Gas has recently started to develop the South Morecambe field. The development of the South Morecambe field is of strategic significance as a source of supply to the industrial market. Notwithstanding the initially low levels of production, the field is expected to show a growing level of profits and cash flow in the medium term.

(g) Other business activities

The Directors recognise that there will be opportunities for the Company's activities by building on its existing strengths. The Company will be wider opportunities to use its expertise in all areas of gas supply and production, where British Gas already has an expertise in the gas supply and production, and it plans to extend its activities in other areas where opportunities arise. British Gas will also be able to take advantage of opportunities in areas where its existing technical and engineering expertise can be more widely exploited.

(h) Regulation

British Gas is not subject to price controls and is free to set its prices in line with its current turnover. It is subject to regulation under the formula under the formula it can retain the price of gas at a level which allows it to achieve the extent that it is able to better. The Directors believe that the achievement of further cost savings will be a major objective over the next five years.

(i) Conclusion

The Directors recognise that the Company's business is subject to various constraints, which will follow the market conditions and the wider commercial opportunities that may arise. The Directors believe that there are good prospects for the Company's business.

SECTION II RELATIONSHIP WITH H.M. GOVERNMENT

A. REMAINING GOVERNMENT INTEREST Following the Offer for Sale H.M. Government will retain sufficient Ordinary Shares to meet its share bonus entitlements...

The Secretary of State will also hold a Special Share. This share, which may only be held by a Minister or other person acting on behalf of the Crown, does not carry any rights to vote at general meetings but entitles the holder to attend and speak at such meetings...

The Company has issued to H.M. Treasury an unsecured debenture of £2.500 million repayable in tranches from 1987 to 1992. This debenture is not transferable from the Crown...

B. COMMERCIAL RELATIONSHIP Following the Offer for Sale the commercial relationship between British Gas as supplier and H.M. Government as customer will continue to be on a normal customer and supplier basis...

C. PETROLEUM LICENCES Licences to search for and produce petroleum onshore and from the UKCS are granted by H.M. Government. Normally each licence details specific work obligations to be carried out by the licensee and contains provisions requiring periodic payments (and, where appropriate, royalties)...

D. GAS IMPORT/EXPORT POLICY In 1985, while British Gas was a nationalised industry, H.M. Government decided not to endorse a draft contract negotiated by the Corporation for the purchase of gas from the Norwegian Sleipner field...

Under the terms of UKCS licences all petroleum produced from the UKCS has to be landed in the United Kingdom unless the Secretary of State consents to landing elsewhere. On 6th March, 1986 the Secretary of State also announced that H.M. Government was prepared to consider applications for waivers of the landing requirement for gas on a case-by-case basis...

ATTITUDE OF OPPOSITION PARTIES TO PUBLIC OWNERSHIP The policies of Opposition parties are the responsibility of the parties concerned. Set out below is a summary of recent developments and public statements which H.M. Government believes may be relevant in this context.

In its 1983 manifesto, the Labour Party stated that it would "return to public ownership the public assets and rights hived off by the Tories, with compensation of no more than that received when the assets were nationalised". When the Gas Bill was debated in the House of Commons on 10th December, 1985, the Rt. Hon. Stanley Orme MP speaking from the Opposition Front Bench, indicated that a future Labour Government would reacquire the assets of British Gas. On 2nd October, 1986, the Labour Party Conference agreed a resolution endorsing a policy statement by the National Executive Committee...

SECTION III REGULATORY ENVIRONMENT

A. INTRODUCTION The supply of gas through pipes is subject to a regulatory regime, established under the Gas Act, which is designed to ensure that all reasonable demands for gas are satisfied when it is economical to do so and that gas suppliers are able to finance the provision of gas supply services...

The Gas Act incorporates, with some modifications, many of the statutory rights and obligations which previously applied to the Corporation and, in some cases, its predecessors. The main new features introduced by the Gas Act are the appointment of a Director General of Gas Supply (the "Director General"), who is responsible for operating and enforcing the regulatory regime, and a system for authorising the supply of gas, subject to regulatory conditions...

The regulatory regime as applied to the Company distinguishes between the tariff and contract sectors of the gas supply market. In view of the relatively limited scope for competition associated with gas supply to consumers who take small quantities of gas, the tariff sector has been made subject to certain regulatory requirements, particularly a system of price control. In the contract sector the Company is required to publish certain information on pricing, but otherwise is free to negotiate contracts, subject to general competition law.

B. THE GAS ACT Under the Gas Act an authorisation is required to supply gas, except for supplies to premises using more than two million therms per annum. There are two categories of suppliers of gas to whom an authorisation may be granted. One category comprises those authorised by the Secretary of State to supply gas through pipes to premises in a defined geographical area, such suppliers being known as "Public Gas Suppliers"; the Company falls within this category and is the only Public Gas Supplier although there are procedures to authorise other Public Gas Suppliers within Great Britain...

The Gas Act sets out a number of obligations for a Public Gas Supplier. Such a supplier must develop and maintain an efficient, co-ordinated and economical system of gas supply and, subject to this, must comply with any reasonable request for a supply of gas where this is economical. A Public Gas Supplier also has a specific obligation to supply, upon request, any premises within 25 yards of a distribution main (subject to a maximum rate of 25,000 therms per annum). These obligations are similar to those imposed on British Gas under the Gas Act 1972 but the Gas Act 1986 extends the specific obligation to supply to premises already connected to a distribution main (subject to the same maximum rate).

In addition, a Public Gas Supplier is required to meet certain safety requirements, to comply with prescribed standards of gas quality, and to charge for gas according to the number of therms supplied. In general, for supplies of 25,000 therms per year or less, there are requirements for the use of published tariffs as a basis for charging and these tariffs must not show undue preference or undue discrimination in their application. There are also requirements limiting connection charges for a gas supply. In addition to these obligations, a Public Gas Supplier must comply with a statutory Public Gas Supply Code, which includes detailed provisions relating to gas escapes, the maintenance of service pipes and the supply and maintenance of meters. A Public Gas Supplier must also comply with any directions given by the Secretary of State on the granting of an authorisation which prohibit the unfair commercial use of information obtained by it in the course of negotiations for any supply of gas to it. Such directions have been given to the Company.

The Gas Act also gives a Public Gas Supplier certain powers similar to those conferred on the Corporation by the Gas Act 1972. These include powers in appropriate circumstances to break up streets for the purpose of laying pipes, to purchase land compulsorily and to enter premises, as well as procedures for disconnection.

The Gas Act continues provisions to enable third parties to use gas pipelines owned by a Public Gas Supplier ("common carriage"). The Director General may specify the terms on which a Public Gas Supplier may be required to convey gas for another supplier when it has spare capacity, or increase the capacity of, or otherwise modify, a proposed or existing pipeline to accommodate another supplier's gas. Any terms of charge for common carriage specified by the Director General must entitle the Public Gas Supplier to recover the proportion of its costs and return on capital, which reflect the use made of its pipeline system. The Gas Act also enables the Director General to specify the terms on which a Public Gas Supplier must make gas available to third party suppliers with common carriage rights, but this is only required when third party suppliers are temporarily unable to obtain gas from other sources and when the Public Gas Supplier can make gas available without prejudicing its own statutory and contractual obligations.

C. THE DIRECTOR GENERAL The first Director General, James McKinnon, was appointed by the Secretary of State on 18th August, 1986 for a three-year period. He was previously Finance Director of Imperial Group PLC and is a former President of the Institute of Chartered Accountants of Scotland. The Director General is supported by a staff of about 20 at the Office of Gas Supply.

The Director General is responsible for enforcing both the conditions of a Public Gas Supplier's authorisation and the principal obligations imposed on it directly by the Gas Act. For this purpose he may make an order requiring compliance, which is enforceable in the Courts. Contravention of such an order by a supplier can result in liability for damages to third parties suffering loss. The Director General is also responsible for initiating modifications to the conditions of a Public Gas Supplier's authorisation, which relate to the tariff market, and for monitoring developments in the gas supply market.

Both the Director General and the Secretary of State have a duty to carry out the functions assigned to them by the Gas Act in a manner best calculated to secure that authorised gas suppliers satisfy all reasonable demands for gas where it is economical to do so and that they are able to finance the provision of gas supply services. Subject to this duty, the Director General and the Secretary of State must exercise their functions in a way which protects the interests of gas consumers (in respect of the prices charged and the other terms of supply, the continuity of supply and the quality of the gas supply services provided); promotes efficiency and economy in gas supply; encourages the efficient use of gas; protects the public from danger; and enables effective competition for supplies exceeding 25,000 therms per annum. They must also take particular account of certain needs of the elderly and the disabled in respect of the quality of the gas supply services provided.

The Director General is independent of the Secretary of State. In certain limited circumstances the Secretary of State may give general directions to the Director General, who may only be removed from office on grounds of incapacity or misbehaviour.

D. THE GAS CONSUMERS' COUNCIL The Gas Act also creates a new Gas Consumers' Council which replaces the former National and Regional Gas Consumers' Councils. The new Council is an independent body, whose main function is the investigation of complaints; it may also give advice to the Director General on matters relating to tariff customers.

E. THE AUTHORISATION Since 24th August, 1986 the Company has been authorised as a Public Gas Supplier to supply gas to any premises within Great Britain. The Authorisation, which is publicly available, imposes the requirements mentioned below, in the form of conditions.

The Company is required to take all reasonable steps in setting its prices for tariff customers to secure that in each financial year the average price does not exceed a maximum determined by a price formula. The price formula, which is summarised in Part F below, comes into effect on 1st April, 1987. Until then tariff prices may not be increased.

Although standing charges for tariff customers are part of the maximum average price subject to control by the price formula, the Authorisation also requires that standing charges should not be increased by more than the cumulative percentage increase in the Retail Price Index from the base level in December 1985 while the price formula is in operation.

The Company is required by the Authorisation to publish separate accounts for its gas supply business. The basis of allocation of any revenue, costs, assets and liabilities between gas supply and the other business activities must be reported to the Director General and his approval sought for any changes.

The Company is also required to publish certain other information. This includes publication of a schedule of maximum prices for gas supplied in the contract sector and of a statement relating to its pricing policy in that sector; information concerning the arrangements for common carriage and back-up supplies, giving examples of the prices which would be charged for common carriage; codes of practice for tariff gas supplies and payment of bills; a summary of the principles by which charges for new connections are set; and information on the efficient use of gas.

Other requirements of the Authorisation cover the provision of an emergency service to receive reports of gas escapes; special services for the elderly and the disabled; the provision of information to the Director General and Gas Consumers' Council; and payment of an annual fee to the Secretary of State to cover the costs of regulation.

The conditions of the Authorisation may be modified at any time by agreement between the Company and the Director General, unless the Secretary of State objects. The Director General may also refer to the MMC at any time matters relating to the supply of gas to tariff customers and may propose modifications of the conditions of the Authorisation which, in his opinion, could remedy or prevent the effects specified in the reference which are or may be adverse to the public interest. The MMC is then required to determine whether these matters operate, or may be expected to operate, against the public interest and in so doing the MMC must have regard to the duties of the Secretary of State and the Director General. If the MMC considers that such a matter may operate against the public interest and proposes modifications to the conditions of the Authorisation, the Director General must then make the modifications which he believes to be necessary to remedy or prevent the adverse effects identified by the MMC.

The Company does not have any right to require a modification of the conditions of the Authorisation. However, it can request the disapplication of the price control condition with effect from a date not earlier than 1st April, 1992. If it does so, the price control condition will cease to apply unless a reference to the MMC is made by the Director General and the MMC concludes that the cessation of the condition in whole or in part would or might be expected to operate against the public interest.

The Director General does not have the power to refer to the MMC matters relating to gas supply to contract customers. The contract sector is subject to general competition law. If any reference to the MMC under that law results in an order being made by the Secretary of State for Trade and Industry in relation to the supply of gas to contract or tariff customers, he may also modify the conditions of the Authorisation to give effect to the order.

The Authorisation runs for a minimum period of 25 years and may be terminated thereafter by the Secretary of State, provided at least ten years' prior notice has been given. The Authorisation could, however, be revoked before its expiry on various specified grounds including insolvency, cessation of business, non-compliance with enforcement orders made by the Director General and non-compliance with orders issued by the Secretary of State for Trade and Industry under certain provisions of general competition law.

F. PRICE FORMULA The price formula, which only applies in the tariff sector, is set out below:

M_t = (1 + (RPI_t - 2) / 100) x P_{t-1} + Y_t - K_t

Table defining the components of the price formula: maximum average price, non-gas component, gas costs, positive or negative correction factor.

where M_t = the maximum average price per therm in year t; RPI_t = the percentage change in the Retail Price Index between that for October in year t and that for the preceding October; P_{t-1} = the non-gas component of the price per therm in the prior financial year t-1; Y_t = the gas cost per therm in year t; K_t = the correction factor per therm to be made in year t (the correction factor will be positive if in year t-1 the actual price charged exceeded the maximum determined by the formula, negative if the actual price was lower than the maximum); and where t represents the relevant financial year.

The broad effect of the formula is to divide the maximum price per therm into two key components, one relating to the cost of gas, and the other a non-gas component.

The gas component (denoted by Y in the formula) is effectively the average cost in pence per therm to the Company of obtaining gas. The major part comprises payment by the Company to its suppliers. For gas produced by the Company itself the price is deemed to be the market price as determined by the Inland Revenue for taxation purposes. The Authorisation also provides for certain other costs to be included such as the gas levy and capacity charges. Prepayments under take-or-pay arrangements are generally included in the gas costs component in the year in which delivery occurs.

The non-gas component (denoted by P in the formula) is an amount in pence per therm, changes in which are limited to the change in the Retail Price Index (two percentage points (RPI-2)). The starting point for the non-gas component used in the determination of the maximum price for the first year of the formula's operation, the year commencing 1st April, 1987, will be equal to the average tariff price in the current financial year less the average cost of gas in the current financial year.

An important feature of the price formula is that it sets the maximum price for each financial year by reference to the gas cost and the Retail Price Index in the year in setting its price, therefore, the Company needs to forecast the components of its price formula for the year ahead. Because forecast and out-turn are unlikely to be exact, the price formula incorporates a third component, the correction factor (denoted by K in the formula). The correction factor allows for any overcharging in one year to be corrected subsequently. After the end of each financial year, if the average price actually charged by the Company in that year differs from the maximum calculated according to the price formula, a correction corresponding to the difference is made in the calculation of the maximum for the next year after making two adjustments. First, there is an addition to the correction representing the interest on the amount of the correction, at a market rate. In the case where the price is less than the maximum, or at three per cent. above the market rate in the case where the price is in excess of the maximum. Secondly, an adjustment is made to take account of any change in the number of therms supplied from one year to the next.

The Authorisation provides for involvement by the Director General if there are significant errors in forecasting. If the average price actually charged exceeds the maximum determined by the formula by more than four per cent. of the maximum price, the Director General must be given an explanation by the Company and must be satisfied that a further excess is not likely before the Company is allowed to increase its prices in the next year. If the excess in one year added to the excess in the next year comes to more than five per cent. of the maximum average price in the second of the two years, the Director General may intervene to set prices in the third year at a level which in his judgement would be unlikely to exceed the maximum average price in that year. Finally, if the average price actually charged is lower than the maximum by ten per cent. in each of two successive years, the Director General may limit the correction carried forward to the following year to ten per cent.

SECTION IV ACCOUNTANTS' REPORT

The following is the text of a report from Price Waterhouse, the reporting accountants:

The Secretary of State for Energy The Directors, British Gas plc The Directors, N M Rothschild & Sons Limited The Directors, Kleinwort Benson Limited Southwark Way 32 London Bridge Street London SE1 1Y 1st November, 86

British Gas plc (the "Company") was incorporated on 1st April, 196 and since that date has not prepared any financial statements for presentation to shareholders and has not declared or paid any dividends. The Company did not trade until 24th August, 1986, at which date the property, rights and liabilities (other than the British Gas 3% Guaranteed Stock, 1990-95) of the British Gas Corporation were transferred to the Company.

We have audited the financial statements of the British Gas Corporation and its subsidiaries (the "Group") for the five years ended 31st March, 1986. The financial information set out in Part A below has been based on these financial statements after making such adjustments as we consider appropriate and has been prepared under two conventions: the current cost convention described in Statement of Standard Accounting Practice Number 16 and the historical cost convention. Our work has been carried out in accordance with the Auditing Guidelines "Prospectuses and the joining accountant".

In our opinion the financial information set out in Part A gives a true and fair view of the profit and source and application of funds of the Group for each of the five years ended 31st March, 1986 and of the state of affairs of the Group at the end of each of these years under the current cost convention and the historical cost convention.

No financial statements of the Group have been audited for any period subsequent to 31st March, 1986.

The pro forma financial information for the year ended 31st March, 1986, which incorporates the effect of implementing the new capital structure of British Gas plc, is set out in Part B below. In our opinion this pro forma financial information has been properly prepared on the basis set out in the notes thereto.

A. FINANCIAL INFORMATION

The information in this Part has been prepared using the accounting policies adopted currently by British Gas plc and by the Group in its financial statements for the years ended 31st March, 1985 and 1986. These policies differ in certain respects from those which were applied by the Group in financial statements of earlier years. Adjustments have been made to the profits and net assets shown by previously published financial statements in order to apply policies consistently throughout the five years ended 31st March, 1986. In addition, adjustments have been made to eliminate the results, assets and liabilities (other than certain residual balances) of the oil interests which were divested in 1983 and 1984 without compensation. The adjustments which have been made to the results are summarised in Note (21).

Accounting policies

The information in this Part has been prepared under the current cost convention, in accordance with Statement of Standard Accounting Practice Number 16, and under the historical cost convention.

Under the current cost convention, provision is made in the financial information for the effects of specific price changes on the resources necessary to maintain the operating capability of the business.

The principal accounting policies adopted for current cost purposes are noted in paragraphs (a) to (i) below. These accounting policies apply equally to the historical cost financial information except as described in (b), (c) and (g) below.

(a) Basis of consolidation The financial information consolidates the financial statements of the British Gas Corporation and each of its subsidiaries for each of the five years ended 31st March, 1986.

(b) Tangible fixed assets Current cost valuation: Tangible fixed assets are stated in the current cost balance sheet at their value to the business, being current replacement cost less accumulated depreciation. Additions are included at actual cost, after deducting grants and capital contributions from customers.

Expenditure on the field development of gas and oil reserves is that expenditure incurred on tangible fixed assets following a decision to develop such reserves commercially.

- The value to the business has been assessed on the following bases: (i) land and buildings - valuation by the Group's professional surveying staff on a continuous basis; (ii) regional mains, services, meters and storage - application of calculated industry average unit replacement costs to the physical distances or quantities in use; and (iii) all other tangible fixed assets, including the national transmission system and field development of gas and oil reserves - indexation of historical costs using appropriate indices.

The assessment of value to the business involves certain estimates being made. These estimates may be subject to continuing revision in future years as more information becomes available.

Depreciation: The assets referred to in sub-paragraphs (i) to (iii) below are subject to straight line depreciation, while the assets referred to in sub-paragraph (iv) below are subject to throughput depreciation.

- (i) Freehold land is not depreciated, but the gross value to the business of buildings standing thereon is depreciated over varying periods, depending on the type of construction, with a maximum of fifty years. (ii) The gross value to the business of leasehold premises is depreciated over the period to the next rent review. Specialised leasehold buildings are depreciated over the term of the lease or fifty years, whichever is the shorter.

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PETROLEUM IN PLACE AND ULTIMATE AND REMAINING COMMERCIAL RESERVES

Table with columns for SOUTH MORECAMBE, LEMAN (ELU), INDEFATIGABLE (A/GC GROUP), and ROUNDTOP. Rows include Petroleum initially in place, Ultimate Commercial Reserves, and Remaining Commercial Reserves.

4.1 The South Morecambe field

The South Morecambe field is a faulted anticline. The reservoir contains a dry gas entirely underlain by water and comprises the Triassic Sherwood Sandstone Group...

4.2 The Leman field (ELU)

The Leman field is a large faulted anticline. The reservoir contains dry gas in Lower Permian Rotliegendes sandstones, which vary in thickness between 550 and 930 feet...

4.3 The Indefatigable field (A/GC group)

The Indefatigable field is a heavily faulted anticline. The reservoir contains a dry gas in Lower Permian Rotliegendes sandstones, which vary in thickness from 50 to 420 feet...

4.4 The Rough field

The Rough field is a fault bounded anticline. The reservoir contains a dry gas in Lower Permian Rotliegendes sandstones, which vary in thickness from 80 to 117 feet...

4.5 The Welton, Nettleham and Farleys Wood fields

These oil fields are situated in the East Midlands. The Welton reservoir comprises up to 250 feet of Carboniferous fluvial sandstone and shales with discontinuous secondary reservoirs...

4.6 Forecast production

The following table summarises our forecasts of production of gas, condensate and oil attributable to British Gas by field and in aggregate on the basis of its percentage interests...

Table titled FORECAST PRODUCTION ATTRIBUTABLE TO BRITISH GAS. Columns include SOUTH MORECAMBE, LEMAN (ELU), INDEFATIGABLE (A/GC GROUP), and TOTAL. Rows show annual production from 1985/86 to 1994/95.

5 Potentially Commercial petroleum discoveries

We have identified ten petroleum discoveries in which British Gas has interests and where drilling has demonstrated the existence of Potentially Commercial Reserves...

The following table sets out in aggregate our estimates of total petroleum initially in place and total Potentially Commercial Reserves at 30th June, 1986...

Table titled POTENTIALLY COMMERCIAL RESERVES. Columns include Proven, Proven+Probable, and Proven+Probable+Possible. Rows list Total petroleum initially in place and Total Potentially Commercial Reserves.

5.1 Dry gas discoveries

The wholly-owned North Morecambe reservoir in Block 110/2a contains a dry gas in sandstones and shales of the Triassic Sherwood Sandstone Group...

There are also four dry gas discoveries in Rotliegendes sandstones in the Southern Basin of the North Sea. One discovery comprises extensions to the Apennines structure into Blocks 47/8a, 47/9a and 47/15a...

In addition there are two dry gas discoveries in the Irish Sea in the Triassic Sherwood Sandstone Group: a domal structure in Block 113/26, where the reservoir comprises sandstones and shales...

5.2 Oil discoveries

British Gas has interests of 25 to 50 per cent in three small oil accumulations in the East Midlands.

6 Other petroleum discoveries

Of the petroleum discoveries in which British Gas has interests, we have identified 14 which we consider contain Technical Reserves. Nine are dry gas discoveries...

The following table sets out in aggregate our estimates of total petroleum initially in place and total Technical Reserves at 30th June, 1986...

Table titled TECHNICAL RESERVES. Columns include Proven, Proven+Probable, and Proven+Probable+Possible. Rows list Total petroleum initially in place and Total Technical Reserves.

7 Undrilled prospects

We have reviewed all the undrilled potentially petroleum bearing structures proposed to us by British Gas and, as a result, we have identified 22 undrilled prospects which, on the basis of geological and geophysical interpretations...

We have identified one undrilled prospect in the Northern North Sea, seven in the Southern Basin of the North Sea, one in the English Channel...

Yours faithfully
ERC ENERGY RESOURCE CONSULTANTS LIMITED
D C Wilson
Technical Director

SECTION VII STATUTORY AND GENERAL INFORMATION

A. INCORPORATION AND VESTING

The Company was incorporated in England and Wales on 1st April, 1986 under the Companies Act 1985 as a public limited company with registered number 2006000.

B. SHARE AND LOAN CAPITAL

1. Share capital

The Company's authorised share capital on incorporation was £50,000, divided into 50,000 shares of £1 each...

On 19th August, 1986 the authorised share capital of the Company was increased to £8,050,001 by the creation of 8,000,000 ordinary shares of £1 each...

On 20th November, 1986:

- (a) the 8,050,000 ordinary shares of £1 each were subdivided into 32,200,000 Ordinary Shares of 25p each;
(b) the authorised share capital of the Company was increased to £12,500,001 by the creation of 17,800,000 additional Ordinary Shares...

and, conditionally on the whole of the ordinary share capital, issued and to be issued, being admitted to the Official List by The Stock Exchange not later than 31st December, 1986:

- (d) the authorised share capital of the Company was further increased to £1,375,000,001 by the creation of 5,450,000,000 additional Ordinary Shares;
(e) the Directors were generally authorised, in accordance with section 80 of the Companies Act 1985...

2. Loan capital

On 26th August, 1986, pursuant to a direction given by the Secretary of State under section 51 of the Gas Act, the Company issued a debenture to the Secretary of State...

On 20th November, 1986, pursuant to a further direction given by the Secretary of State under section 51 of the Gas Act, the Company issued a debenture to H.M. Treasury acknowledging indebtedness in the principal amount of £2,500 million (the "Debt")...

3. British Gas 3% Guaranteed Stock, 1990-95

Under section 50 of the Gas Act, on 24th August, 1986 all the rights and liabilities to which the Corporation was entitled or subject immediately before that date under the terms of issue of the British Gas 3% Guaranteed Stock, 1990-95...

C. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum of Association of the Company indicates that the Company's principal objects are to succeed to the property, rights and liabilities of the Corporation, to carry on, expand and extend the businesses of the Corporation...

On 20th November, 1986 new Articles of Association were adopted by the Company conditionally on the whole of the ordinary share capital, issued and to be issued, being admitted to the Official List by The Stock Exchange not later than 31st December, 1986.

1. Special Share

The Special Share may only be held by or transferred to the Secretary of State, another Minister of the Crown, the Treasury Solicitor or any other person acting on behalf of the Crown...

The Special Shareholder is entitled to receive notice of, and to attend and speak at, any general meeting or any meeting of any class of shareholders, but not to vote at such a meeting...

(a) the amendment, removal or alteration of the effect of certain definitions (relating primarily to the Special Share) in the Articles, of the Special Share Article, or of the limitation on shareholdings (referred to in paragraph 3 below);

(b) the creation or issue of any shares with voting rights, not being (i) shares comprised in the relevant share capital (as defined in section 198(2) of the Companies Act 1985) or (ii) shares which do not constitute equity share capital and which, when aggregated with all other such shares, carry the right to cast less than 15 per cent. of the votes capable of being cast on a poll at any general meeting; or

(c) the variation of any voting rights attached to any shares.

2. Ordinary Shares

(a) Dividends

The holders of Ordinary Shares are entitled to the profits of the Company available for dividend and resolved to be distributed, in proportion to the number of Ordinary Shares held by them and the amounts paid up on the shares.

(b) Return of capital

On a winding-up, the balance of the assets available for distribution, after deduction of any provision made under section 719 of the Companies Act 1985 and repayment of the amount paid up on the Special Share and subject to any special rights attached to any other class of shares, shall be applied in repaying to the holders of Ordinary Shares the amounts paid up on those shares...

(c) Voting

Subject to the restrictions referred to in "Restrictions on Voting" below, on a show of hands every holder of Ordinary Shares who is present in person at any general meeting shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for every share of which he is the holder.

3. Limitation on shareholdings

The limitation on interests in voting shares of the Company, set out in Article 40 of the Articles of Association, is described briefly below.

(a) For the purpose of these provisions, the expression "interest" is widely defined. It generally follows, but is more extensive than, the definition used in deciding whether a notification to the Company would be required under Part VI of the Companies Act 1985...

(b) If any person has, or appears to the Directors to have, an interest in shares which carry 15 per cent. or more of the total votes attaching to the relevant share capital (as defined in section 198(2) of the Companies Act 1985) of the Company or is deemed to have such an interest (in a case where the Directors resolve that they are unable to ascertain the position)...

(c) If such a notice is given and is not complied with in all respects to the satisfaction of the Directors and has not been withdrawn, the Directors shall themselves effect such a disposal on such terms as they may determine, based upon advice obtained by them for the purpose.

(d) A registered holder to whom such a notice has been given is not, until the notice has been withdrawn or complied with to the satisfaction of the Directors, entitled in respect of any of his shares to which the interest concerned relates to attend or vote at any general meeting of the Company or meeting of the holders of voting shares, and those rights will vest in the chairman of any such meeting, who may exercise them entirely at his discretion.

(e) The Directors are not obliged to give notice to any person if they do not know either his identity or his address. The absence of a notice in such a case and any accidental error in or failure to give any notice to any person to whom notice is required to be given will not prevent the implementation of, or invalidate any procedure under, the relevant Article.

(f) Any resolution or determination of, or decision or exercise of any discretion or power by, the Directors shall be conclusive and binding on all persons concerned and shall not be open to challenge.

(g) The Secretary of State is not subject to these restrictions (although he will be subject to the target investment limit referred to in paragraph 7 of Part N of this Section) and there are other limited exemptions relating principally to holdings of a trustee or fiduciary nature.

4. General

(a) Restrictions on voting

(i) A member shall not, unless the Directors otherwise determine, be entitled in respect of any shares to attend or vote at any general meeting or separate class meeting or to exercise any other right conferred by membership in relation to meetings of the Company if he or any other person appearing to be interested in the shares has been given a notice under section 212 of the Companies Act 1985 and fails to give the Company any information required by the notice within 28 days from the date of the notice.

(ii) A member shall also not be entitled to attend or vote in the circumstances described in paragraph (d) of "Limitation on shareholdings" above.

(iii) In addition, a member shall not be entitled, in respect of any shares, to vote at any general meeting or separate class meeting unless all amounts presently payable by him in respect of the shares have been paid.

(b) Record dates and unclaimed dividends

The Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid, whether or not it is before the date on which the declaration is made. Any dividend unclaimed for a period of twelve years after having become due for payment will, if the Directors so resolve, be forfeited and cease to remain owing by the Company...

Handwritten signature or mark at the bottom right of the page.

TERMS AND CONDITIONS, continued—

- (d) (if you make an application under the Customer Share Scheme) thereby warrant that:
 - (i) you, or if you are a nominee, all persons for whose benefit the application is made, are eligible for the Customer Share Scheme in accordance with the provisions set out in paragraph 2(a) of Part A of Section IX of the Prospectus; and
 - (ii) so far as you are aware, no other application has been made under the Customer Share Scheme in respect of the same separately metered gas supply as that in respect of which your application is made;
- (e) declare that you are not a U.S. or Canadian person and you are not applying on behalf of any such person, "U.S. or Canadian person" having the meaning set out in paragraph 4 of Part A of Section IX of the Prospectus;
- (f) agree that all applications, acceptances of applications and contracts resulting therefrom under this Offer for Sale shall be governed by and construed in accordance with the laws of England;
- (g) warrant that:
 - (i) (if this application is made for your own benefit) no other application is being made for your benefit by you or by anyone applying as your agent or, so far as you are aware, by any other person;
 - (ii) (if the application is made by you as agent for or for the benefit of another person) no other application for the benefit of that person is being made by you or, so far as you are aware, by that person or by any other person; and
 - (iii) if you sign the application form as agent for someone else, you have due authority to do so on behalf of that other person;
- (h) agree that, in respect of those Ordinary Shares for which your application has been received and processed and is not rejected, acceptance of your application shall be constituted, at the election of the Secretary of State, either (i) by notification to The Stock Exchange of the basis of allocation (in which case such acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the relevant receiving bank;
- (i) authorise the relevant receiving bank and the Custodian Bank to send a letter of acceptance for the number of Ordinary Shares for which your application is accepted and/or a cheque for any money returnable by post at your risk to the address of the person (or the first-named person) named in the application form and to procure that your name (and the name(s) of any other joint applicant(s)) is placed on the register of holders of interim rights in respect of such Ordinary Shares the entitlement to which has not been effectively renounced and thereafter to procure that your name (and the name(s) of any other joint applicant(s)) is placed on the register of members of the Company in respect of such Ordinary Shares the entitlement to which is evidenced by Interim Certificates and the right to which has not been effectively renounced; and in these terms and conditions references to rights being effectively renounced mean the renouncee(s) being registered by a receiving bank in relation to such rights;
- (j) agree that all documents in connection with the share bonus or bill voucher arrangements may be sent by post at your risk to the person (or, in the case of joint applicants, the first person) named in the application form to his or her address set out therein or such other address as may from time to time appear in the register of holders of interim rights or the register of members of the Company against the name of such person;
- (k) agree that time of payment by you shall be of the essence of each contract constituted by acceptance of your application and undertake to pay the second instalment by, and for value not later than, 3 p.m. on 9th June, 1987 and the final instalment by, and for value not later than, 3 p.m. on 19th April, 1988 for the Ordinary Shares in respect of which your application is accepted and the right to which has not been effectively renounced or transferred in accordance with the Instalment Agreement by you prior to the relevant time and date;
- (l) agree that, without prejudice to any other rights to which you may be entitled, you will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application; and
- (m) confirm that, in making your application, you are not relying on any information or representation in relation to British Gas or the Offer for Sale other than information and representations contained in the Prospectus or in the mini prospectus published in connection with the Offer for Sale taken together with the Prospectus (the "prospectuses") and accordingly you agree that no person responsible for the prospectuses shall have any liability for any such information or representation other than as aforesaid.

21st November, 1986

INSTRUCTIONS FOR RETURN OF YOUR APPLICATION FORM

SEND YOUR COMPLETED APPLICATION FORM BY POST (OR DELIVER IT BY HAND) TO ARRIVE NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 3RD DECEMBER, 1986 at the appropriate address immediately below according to the first letter of your surname (or corporate name) inserted in Box 1.

- A to Cg** Bank of Scotland
New Issues Department,
Apex House,
9 Haddington Place,
Edinburgh EH7 4AL
or, by hand only, to
38 Threadneedle Street,
London EC2.
- Ch to F** Barclays Bank PLC
New Issues,
P.O. Box 123,
Fleetway House,
25 Farringdon Street,
London EC4A 4HD.
- G to J** Lloyds Bank Plc
Registrar's Department,
Goring-by-Sea, Worthing,
West Sussex BN12 6DA
or, by hand only, to
Registrar's Department,
Issue Section,
11 Bishopsgate,
London EC2.
- K to M** Midland Bank plc
Stock Exchange Services
Department,
Mariner House,
Pepys Street,
London EC3N 4DA.
- N to Sj** National Westminster
Bank PLC
New Issues Department,
P.O. Box 79,
2 Princes Street,
London EC2P 2BD.
- Sk to Z** The Royal Bank of
Scotland plc
Registrar's Department,
P.O. Box 435,
8 Bankhead Crossway North,
Edinburgh EH11 4BR
or, by hand only, to
New Issues Department,
24 Lombard Street,
London EC3.

USE FIRST CLASS POST AND ALLOW AT LEAST TWO DAYS FOR DELIVERY

OR TAKE IT BY HAND TO ARRIVE BEFORE CLOSE OF BUSINESS ON TUESDAY, 2ND DECEMBER, 1986 at any U.K. branch of National Westminster Bank PLC, Bank of Scotland, or Ulster Bank Limited.

ADDITIONAL RECEIVING CENTRES (open for deliveries by hand until 10.00 a.m. on Wednesday, 3rd December, 1986):

- Aberdeen**
The Royal Bank of Scotland plc,
40 Albyn Place, Aberdeen.
- Belfast**
Ulster Bank Limited,
Investment Div.,
88-90 High Street, Belfast.
- Birmingham**
National Westminster Bank PLC,
103 Colmore Row,
Birmingham.
- Brighton**
Lloyds Bank Plc,
17-173 North Street,
Brighton.
- Bristol**
National Westminster Bank PLC,
32 Corn Street, Bristol.
- Cambridge**
Lloyds Bank Plc,
3 Sidney Street,
Cambridge.
- Cardiff**
National Westminster Bank PLC,
117 St. Mary Street,
Cardiff.
- Channel Islands**
Lloyds Bank Plc,
9 Broad Street,
St. Helier, Jersey.
- National Westminster Bank PLC**
35 High Street,
St. Peter Port,
Guernsey.
- Dumfries**
Bank of Scotland,
11-19 Reform Street, Dumfries.
- Edinburgh**
The Royal Bank of Scotland plc,
34 Fettes Row, Edinburgh.
- Glasgow**
Bank of Scotland,
110 St. Vincent Street,
Glasgow.
- The Royal Bank of Scotland plc**
98 Buchanan Street,
Glasgow.
- Inverness**
Bank of Scotland,
9 High Street, Inverness.
- Leeds**
Barclays Bank PLC,
28 Park Row, Leeds.
- Liverpool**
Barclays Bank PLC,
4 Water Street,
Liverpool.
- Manchester**
National Westminster Bank PLC,
55 King Street,
Manchester.
- Newcastle upon Tyne**
Barclays Bank PLC,
Collingwood Street,
Newcastle upon Tyne.
- Northampton**
Midland Bank plc,
3 Wood Hill,
Northampton.
- Norwich**
Barclays Bank PLC,
Bank Plain, Norwich.
- Nottingham**
Barclays Bank PLC,
Old Market Square,
Nottingham.
- Oxford**
Midland Bank plc,
65 Cornmarket Street,
Oxford.
- Plymouth**
Midland Bank plc,
4 Old Town Street,
Plymouth.
- Sheffield**
Midland Bank plc,
Market Place,
Sheffield.
- Shrewsbury**
Midland Bank plc,
33 High Street,
Shrewsbury.
- Southampton**
Lloyds Bank Plc,
19-21 High Street,
Southampton.

GUIDE ON HOW TO COMPLETE THE PUBLIC APPLICATION FORM

If you wish to apply under the Customer Share Scheme, you must complete the GREEN FORM sent to you by the British Gas Share Information Office. Or, if you have received a personalised ORANGE FORM, you should complete that form. Otherwise, please use the APPLICATION FORM below. REMEMBER THAT ONLY ONE APPLICATION MAY BE MADE FOR THE BENEFIT OF ANY PERSON.

Put in Box 1 your full name and address (please use block capitals).

Applications must not be made by anyone under 18, but a parent, grandparent or guardian of a child under 18 may apply for the benefit of that child. To do this, you should put your own name in Box 1, and after your surname write "A/C" followed by the full names of the child. You are not thereby precluded from making a single application for your own benefit.

If you wish to apply jointly with another adult, see Note 7.

Put in Box 2 (in figures) the number of shares for which you are applying. You may only apply for one of the numbers of shares set out below. Applications for any other number of shares will be rejected.

Number of shares you are applying for	Amount you pay now (50p per share)	Your total investment (135p per share)
100	£50	£135
200	£100	£270
300	£150	£405
400	£200	£540
500	£250	£675
600	£300	£810
700	£350	£945
800	£400	£1,080
900	£450	£1,215
1,000	£500	£1,350
1,500	£750	£2,025
2,000	£1,000	£2,700
2,500	£1,250	£3,375
3,000	£1,500	£4,050
3,500	£1,750	£4,725
4,000	£2,000	£5,400
4,500	£2,250	£6,075
5,000	£2,500	£6,750

Above 5,000 shares, applications must be in the following denominations:

Applications	Multiples of
5,000 to 10,000 shares	1,000 shares
10,000 to 50,000 shares	5,000 shares
50,000 to 100,000 shares	10,000 shares
over 100,000 shares	50,000 shares

Using the middle column of the table above, put in Box 3 (in figures) the amount you pay now.

Payment is in three instalments. The second instalment of 45p per share is payable by 3 p.m. on 9th June, 1987 and the final instalment of 40p per share by 3 p.m. on 19th April, 1988. You will be sent a reminder about the second and final instalments before they become due.

For bill vouchers, put "YES" in Box A. For the share bonus, put "YES" in Box B. COMPLETE ONE BOX ONLY.

If you complete both boxes you will be deemed to have applied for the share bonus only. If you do not complete either box you will not receive bill vouchers or the share bonus. Before making your choice, you should read the details of the special incentives set out in Section VIII of the Prospectus (including, if necessary, the arrangements for nominees' applications on behalf of others). Once the application form is submitted your choice may not be changed.

Sign and date the form in Box 5.

The application form may be signed by someone else on your behalf if he is duly authorised to do so, but he must enclose his power of attorney.

A corporation must sign under the hand of a duly authorised official, whose representative capacity must be stated.

WARNING

Only one application may be made for the benefit of any person. Criminal proceedings may be instituted against anyone knowingly making or authorising more than one application for the benefit of any person.

Put in Box 6 a cheque or bankers' draft for the exact amount you have entered in Box 3. Your cheque or bankers' draft must be made payable to "British Gas Share Offer". Please ensure that it is crossed and write on it "Not Negotiable".

Your payment must relate solely to this application. No receipt will be issued. Your cheque or bankers' draft must be drawn in sterling on an account at a bank or branch in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner. If you do not have a cheque account, you can obtain a cheque from your building society or a bank branch.

An application may be accompanied by a cheque drawn by someone other than the applicant(s), but any moneys returned will be sent by cheque crossed "Not Negotiable A/C Payee Only" in favour of the applicant(s).

JOINT APPLICANTS

You may apply jointly with up to three other people, provided each applicant is aged 18 or over. They should complete and sign Box 7. Power(s) of attorney must be enclosed if anyone is signing on behalf of any joint applicant(s).

You must return your completed application form, together with your cheque for the first instalment, so as to arrive by 10 a.m. on Wednesday, 3rd December, 1986.

British Gas plc PUBLIC APPLICATION FORM

To The Secretary of State for Energy · National Westminster Bank PLC
N M Rothschild & Sons Limited · British Gas plc

Before completing this form, please read carefully the accompanying guide.

PLEASE USE BLOCK CAPITALS

Mr, Mrs, Miss or title	Forename(s) (in full)
Surname	
Address	
Post code	

I/We offer to purchase

Ordinary Shares

in British Gas plc and subject to the Terms and Conditions set out in the Prospectus comprising the Listing Particulars dated 21st November, 1986

and I/we attach a cheque or bankers' draft for the amount now payable of

£

I/We wish to receive

Bill vouchers

Share bonus

PLEASE WRITE "YES" IN ONE BOX ONLY

I declare that to my knowledge this is the only application made for my benefit (or that of the person(s) for whose benefit I am applying).

Date	Signature
1986	

Pin here your cheque/bankers' draft for the amount in Box 3, payable to "British Gas Share Offer" and crossed "Not Negotiable".

JOINT APPLICANTS

The first applicant should sign Box 5. Using BLOCK CAPITALS, insert below the names of the other joint applicants, who must sign in the right hand column.

I/We join in this application and give the declaration set out above.

Mr, Mrs, Miss or title	Forename(s) (in full)	Surname	Signature
2nd joint applicant			
3rd joint applicant			
4th joint applicant			

FOR OFFICIAL USE ONLY

Those claiming commission or reimbursement of commission should stamp both boxes applicable to them.

Stamp of person claiming commission and VAT reg. no.	Stamp of other intermediary claiming reimbursement of commission and VAT reg. no.	Stamp of person claiming commission and VAT reg. no.	Stamp of other intermediary claiming reimbursement of commission and VAT reg. no.
(If not registered for VAT, put "none")	(If not registered for VAT, put "none")	(If not registered for VAT, put "none")	(If not registered for VAT, put "none")
Acceptance no.	Shares accepted	Acceptance no.	Shares accepted
Commissions calculated		Commissions calculated	

SQUASH RACKETS

Old lion shows his teeth and awakens British pride

By Colin McQuillan

While Jahangir Khan and Ross Norman, the two young lions of the international tournament circuit, were battling in Zurich last night, the greying, but far from toothless, Jonah Barrington, was displaying in Bristol interesting intimations of a new national pride.

BASKETBALL

Cup draw gauntlet for leading rivals

By Nicholas Haring

Hopes that the two clubs which featured in the most memorable cup final of all would be kept apart for a possible second time in the final on December 15 ended yesterday when the draw for the Prudential national cup semi-finals was made.

YACHTING



Vivien Saunders: her expensive purchase has put an end to the days of sex discrimination

Golf club changes hands to the birthday girl for £1m New owner wastes no time putting her privilege to use

By Mitchell Platt

Vivien Saunders yesterday gave the well-worn locker room joke about buying a golf club another twist when she became the new owner of the Eynesbury Hardwick Club south of 58 Nets on the Cambridgeshire and Bedfordshire border.

Quite recently Mickey Walker and Jenny Lee Smith, both leading professionals on the Women's PGA circuit, entered the predominantly male world of the club golf professional but as Miss Saunders said: "Back in 1975 it was unthinkable for a woman to hold such a job."

So I retrained and qualified as a solicitor. I wanted to be a tax lawyer but I got sidetracked when two of my relatives committed suicide. I decided that I could no longer take that kind of responsibility of peoples' lives. I saw the golf club advertised in Country Life: it was the perfect chance to devote my energies once again to golf."

YACHTING

Record satisfaction for Poupon

Paris (AP) — Philippe Poupon, the Frenchman in the British-designed Finny Michon trimaran, crossed the finish line in Pointe-a-Pitre, Guadeloupe, early yesterday to win the Route du Rhum Transatlantic single-handed race in record time.

but Yves Fauconnier, of France, was named the winner after diverting to help another racer in difficulty. Bruno Peyron, another Frenchman in the catamaran Ericsson, is expected to finish second today.

Queen's Bench Divisional Court

Law Report November 25 1986

Court of Appeal

Difference between evidence and information Bid to distract dogs in race not attempted theft

Ennas v Dovey Before Lord Justice May and Mr Justice Russell [Judgment November 24] The reference to "evidence" in section 28(1)(a) of the Immigration Act 1971 meant something more than the information given to a police officer over the telephone.

Regina v Gullefer Before Lord Lane, Lord Chief Justice, Mr Justice Kennedy and Mr Justice Owen [Judgment November 20] A man who backed a greyhound which he saw would not win was not guilty of attempted theft by jumping on the track and trying to distract the dogs, knowing that if they were distracted, the stewards would declare "no race" and bookmakers would have to return all bets staked.

Regina v Stretton Regina v McCallion Where a witness who complained of sexual assaults became incapable through illness of giving further evidence after she had given evidence-in-chief and had been cross-examined for some hours, the trial judge had a discretion to allow the trial to continue on the basis of the evidence she had given.

There was insufficient evidence for it to be said that he had, when he jumped on to the track, gone beyond mere preparation. Sections 1(1) and 4(3) of the 1981 Act amounted to a blend of various decisions, some of which were not easy to reconcile with others.

Ouster order is drastic

1986, to allow the respondent eight weeks to vacate the premises following an ouster order against him, and substituting that period two weeks from the date of the appeal decision.

سكنا من الامل

David Hands, Rugby Correspondent, examines a historic conflict

The game of Union versus League

Discretion is a virtue which should not be confused with dishonesty - or, as the current vogue has it, economy with the truth.

Senior members of England's most successful club, International Board rulings on amateurism do not prevent this. The relevant paragraph states: "No person who is or has been associated in any active capacity with a non-amateur rugby club or a non-amateur rugby organisation shall participate in, or assist in, the playing, coaching, organising, controlling or administering of the game."

Sundays watching televised American football - which only recently was "unbanned" by the International Board - in the hope of picking up tidbits which may be applied to their game.

hear a club official make an unmodified attack on a referee and then refuse to substantiate it.

Contact with Rugby League remains a sensitive area within the Rugby Union, mainly for historical reasons.

Neither Robson nor Hudson could be accused on either count. Their prime concern is the welfare of Bath's players and to maintain the standing of England's premier club, at a more general level they wish to improve standards in Rugby Union and, to that extent they borrow, as every sport does, from other games.

Players have a duty to compete within a legal framework, officials have a duty to uphold that framework and those who administer it (that is, referees) and spectators, in the crowd and in the press, should seek a degree of balance.

There has to be a limit within a game where there are so many inherent risks, a limit accepted by those who play, those who watch and those who write.

Ireland to package provincial fixtures

By George Ace

The format of the Irish inter-provincial championship is set to undergo a change next season. The Irish Rugby Football Union is studying proposals suggesting the championship should be played on three successive Saturdays in November and leave October free for league fixtures on at least three weekends.

Divisional selectors wrestle with injury problems

By David Hands, Rugby Correspondent

London division will announce this morning their team to play in the first round of the Thora EMI divisional championship against the Midlands at Warrs on December 6.

Bates came back with such a good game for Wasps against Metropolitan Police at the weekend. Bates broke his forearm in the John Player Special Cup final last May and it was his first senior club appearance of the season.

mond on Saturday - and in deciding which midfield combination to go for.

There is considerable merit in the proposal. It would mean that the players involved would be under direct control of the provincial coaches who could prepare for each match with single-minded purpose in the knowledge that the players would have no club commitments throughout the championship.

Sole worry for Anglo-Scots

Eight members of London Scottish are included in the Anglo-Scots side who meet Scottish North and Midlands at Richmond on Saturday in the first round of the Scottish inter-district championship (David Hands writes).

Anglo-Scots would consider Peter Jones, of Gloucester, who already has a club colleague in the team in Ruzi McLean, the centre. Indeed, the Anglo-Scots set has been cast far and wide this season.

The selectors, for obvious reasons, have not considered anyone from either Oxford or Cambridge Universities, whose teams for the annual match at Iwickham on December 9 will be announced on Monday.

More support for district championship

Scotland's inter-district championship has a new thrust and importance with yesterday's announcement that the competition will be sponsored for the first time (Ian MacLennan writes).

SCHOOLS RUGBY RESULTS

Bedford 11, Rugby 10; Bedford Modern 21, Quorn 4; Berkhamstead 6, St Edmund's 4; Blandford 18, St Edmund's 10; Bedford 18, Quorn 10; Bedford 10, Bedford Modern 11; Bedford 10, Bedford Modern 11; Bedford 10, Bedford Modern 11.

Teague: "Dirt" claim

Teague, who was capped three times by England, was named in the squad of 28 for tonight and has not been to training sessions since he was told by the selectors that he was "treated like dirt".

Title bout

Johnanesburg (Reuter) - Venezuelan Bernardo Pinango defends his World Boxing Association (WBA) bantamweight title against South African Samson Mokoena on Saturday in what is likely to be the last title fight in South Africa for some time.

TODAY'S FIXTURES

Table listing today's fixtures for Football, Rugby Union, and Rugby League.

RUSSIAN UNION

Clint Eastwood, in the daunting guise of "Dirty Harry", surprised that a man's gotta know his limitations.

AMERICAN FOOTBALL

Why "Dirty Harry" is cleaning up. Bills' 22-19 defeat was their 22nd consecutive away defeat.

ICE HOCKEY

Home blend assists Racers. A common criticism of the sport's present revival is that most clubs rely on too few players.

WOMEN'S HOCKEY

Lancashire achieve clean sweep. Three goals scored by Margaret Savage gave Lancashire, who won the national county championship two years ago, a 4-0 win over Yorkshire.

Table showing American Football statistics for various divisions and conferences.

© Does not include last night's game: Miami Dolphins v New York Jets.



Victory bound: Navratilova on the way to her Virginia Slims triumph

Slims final brings a fat purse for the world champion

Martina Navratilova goes into a six-week winter recess following her 7-6, 6-3, 6-2 victory over Steffi Graf in the final of the Virginia Slims championship, knowing that she is \$1.3 million richer than one year ago.

South Carolina. Just last month she won the Prelty Polly Classic in Brighton by beating Catarina Lindqvist.

Teague out of South West team

Mike Teague, the Gloucester and former England No 8, yesterday pulled out of the South West divisional squad after he had been "treated like dirt".

Teague out of South West team

Teague, who was capped three times by England, was named in the squad of 28 for tonight and has not been to training sessions since he was told by the selectors that he was "treated like dirt".

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CRICKET: BORDER GIVEN LITTLE ROOM FOR MANOEUVRE

Demand for change has cut no ice with the Australian selectors

From John Woodcock, Cricket Correspondent, Perth

When choosing their 12 players for the second Test match, starting here on Friday, the Australian selectors resolutely resisted the advice that was being showered upon them. It had been suggested they bring in Whitney or Gilbert, if not both, who bowled New South Wales to victory over England at the weekend, or to recall McDermott, Hookes or O'Donnell.

Their Open golf championship was won recently by Rodger Davis, who, not so long ago, became sufficiently disenchanted to give up the game for two years. Now Sleep is back after doing the same for the whole of the season before last.

Davis retrieved his clubs from the attic because he had lost most of his money, and Sleep found he missed the fun of playing cricket. For South Australia against the present England side in Adelaide, he made 65 from 27 and took three for 103 in 39 overs.

Haynes defies fiery Imran

From Richard Streeton, Karachi

A devastating spell of fast bowling by Imran Khan ensured that the third and final Test match between Pakistan and West Indies enters its final day today with both teams holding a chance of victory. Imran took the last five West Indies wickets in 33 balls at a cost of 10 runs.

Dujon fell. The rout began by Imran was then completely unexpected. Haynes, who survived a half chance on 18 on Saturday, never wavered from his patient approach and finished with only four runs. He is the third West Indies batsman to be dismissed in 1979-80.

Imran returned after tea to Qadir's end and his third and fourth balls dismissed Harper and Marshall as both men played half back. Butts had several near misses at Trent Bridge in 1957 and Hunt against Australia at Port of Spain in 1964-65 to carry his bat through a Test innings, although Haynes was the last man out in both innings against New Zealand in his final Test in 1979-80.

FOOTBALL: IRISHMAN'S COMMENTS MAY HAVE ENDANGERED HIS POSITION ON FIFA

Britain are united against Cavan on issue of unity

By Stuart Jones, Football Correspondent



Finishing touch: Hasteley rounds off his solo effort for Milan

England pair up for grabs

By Clive White

Mark Dennis, the Southampton full back, will have been judged twice in the space of a few days by his fellow players when he goes before the Professional Footballers' Association's management committee at the weekend. Yesterday, Dennis was fined more than half a week's wages by his club colleagues after he was sent off for the tenth time in his career last week in the FA Cup tie against Aston Villa.

Players to pronounce on Dennis

AC Milan has decided to release their England international Mark Hasteley and Ray Wilkins at the end of the Italian season, a move which is likely to set off a furious scramble among English clubs keen to sign them.

Harry Cavan, who recently suggested that the home countries could be forced to play under one flag after the next World Cup finals, has inadvertently succeeded in uniting the four British associations. His statement, unveiled in his own Irish homeland, has been greeted there and elsewhere with a mixture of astonishment and dismay.

His opinion has bemused even FIFA, the world's governing body of which he belongs to as vice-president and Britain's lone representative. A spokesman in Bern said yesterday that Cavan's view is about as realistic as forecasting the global competition being decided "within the next 50 years."

The international committee of the Northern Ireland Football Association met with Cavan last weekend to discuss the matter, and later issued a statement of their own. They dissociated themselves with his words and reaffirmed that "our policy, in common with the other three associations, is to preserve a separate identity."

Ted Croker, speaking on behalf of England as the Football Association's secretary, was "horrified" to hear of the proposal. "For our man in FIFA to come out with this kind of comment is just unbelievable," he said.

home countries will be combined. Nor, for one moment, do I think the Europeans would let it happen."

It will assemble for the first time next month and will meet, according to FIFA's spokesman, "only two or three times a year from then on. 'Little, if anything, will be substantially altered before 1988, by which time the qualifying legs of the next World Cup will be under way'."

The recent success of England, Scotland and Northern Ireland, all of whom reached the finals of the last two World Cups, has further diminished the chances of Britain being used as a political football in the global game.

There is a thought that Cavan may unwittingly have endangered his position with FIFA.

David Speedie, who has been left out of the Chelsea first team for the last nine games after asking for a transfer, may be recalled for tonight's third-round Football Members' Cup tie at West Ham United. The Scottish international forward has been included in a squad of 14, as pressure mounts on the Chelsea manager, John Hollins.

Speedie scored twice in the reserves' 9-2 win at Reading on Saturday, and Hollins is understood to have held lengthy talks with him in an attempt to resolve their differences.

Now it looks likely that Speedie will be given a chance to resume his partnership with the England international, Kerry Dixon, which has produced 57 League and cup goals in the past two seasons.

For West Ham, Devonshire is suffering from a heavy cold. Paul Lane, a teenager, may make his first team debut if Devonshire does not recover. Shearer is also doubtful with a hamstring injury.

England pair up for grabs

AC Milan has decided to release their England international Mark Hasteley and Ray Wilkins at the end of the Italian season, a move which is likely to set off a furious scramble among English clubs keen to sign them.

Britain's search for young talent

With a little under two years to go before the 1988 Olympic Games in Seoul, Roger Seaton, Great Britain team manager, began a talent-spotting exercise on Sunday at Birmingham where he watched the County Championship match between Worcestershire and the Army.

Fast fillip for Phipps

Nick Phipps tackles next week's opening World Cup event of the season for the Velites Cup in Winterberg, boosted by a major success in Canada last weekend with Alan Coates, his brakeman. The British pair clinched the second fastest time of the week during the first training runs on the 1988 Olympic track at Calgary.

Foster to go in at the deep end

Mark Foster, the record-breaking sprinter of the Yorkshire Bank swimming trials at Leicester, leaves today with a British squad of 18 to race in next weekend's major European international meeting at Toronto. Swimming against the United States, there is the chance that Foster, aged 16, will find himself matched against the towering Matt Biondi, America's latest world record holder for 50 metres and 100 metres freestyle.

Final timings too early for athletes

Lynn (AFP) - The proposed mid-morning gymnastic finals at the 1988 Olympic Games in Seoul have met with opposition from the sport's governing body, the International Gymnastics Federation (FIG) said in Switzerland yesterday.

Two Swedes for Becker

New York (AFP) - The draw for the Grand Prix Masters, made by the Men's International Professional Tennis Council here yesterday, pits the world No. 1, Ivan Lendl, of Czechoslovakia, against Sweden's Stefan Edberg, France's Yannick Noah and Ecuador's Andres Gomez in the first round.

ATHLETICS

BARNSELY: 1. T Duffy (Manchester) 2.59.27; 2. S Hughes (Barnsley) 2.59.27; 3. S O'Donnell (Widnes) 2.59.27; 4. J. R. Murray (Widnes) 2.59.27; 5. J. Murray (Widnes) 2.59.27; 6. J. Murray (Widnes) 2.59.27.

UNITED STATES: National Association of Broadcasters (NAB) says that 104 radio stations have agreed to carry the 1988 Olympic Games.

BASKETBALL: Eastern Conference: Atlanta Hawks 8-1, Phoenix Suns 7-2, Dallas Mavericks 6-3, Houston Rockets 5-4, New York Knicks 4-5, New Jersey Nets 3-6.

WESTERN CONFERENCE: Milwaukee Bucks 11-7, Los Angeles Lakers 10-8, Seattle SuperSonics 9-9, Portland Trail Blazers 8-10, Golden State Warriors 7-11, Minnesota Timberwolves 6-12.

FOOTBALL: Schools Matches: Albury's, Forest 2, Brentford 0, Stan 4, Alderbury 1, Dorset 1, Kingston Lacey 3, Stratford 1, Stroud 1, Chertsey 1.

GOLF: 30th INTERNATIONAL RANKINGS: First 1. G. Norman (AUS) 1,219 points; 2. L. Larmer (GB) 1,058; 3. S. Baker (GB) 1,058; 4. T. Lister (GB) 775; 5. M. O'Meara (GB) 775; 6. P. Stanger (GB) 544; 7. S. Lyle (GB) 528; 8. C. Stewart (GB) 528.

BOBSLEIGHING

It was in the Velites Cup, traditionally the opening meeting, that Phipps first hit the headlines two years ago. After gaining Britain's first top ten finish in the competition, with seventh place in the two-man event, he drove his crew to second in the four-man.

SWIMMING

The aim of the Federation is to make the winter season more appealing and competitive and it was announced yesterday that the beginning of January a selected British squad will be flown to Florida for 10 days training at sunny Mission Bay to prepare for a range of events on the Continent.

HOCKEY

He added that he did not know what factors - such as availability, injury and loss of form - might affect the 16 players who made up the bronze medal winning team at Los Angeles. Describing Argentina and South Korea as the best of the new, emerging nations, he drew attention to Argentina's fitness, acceleration and natural aptitude for the game.

POOLS FORECAST

Saturday November 29 (unless stated)

FIRST DIVISION: 1. A Villa v Arsenal, 2. Leicester v Chelsea, 3. Liverpool v Coventry, 4. Luton v Sheffield W, 5. Norwich v Oxford, 6. QPR v Sheffield W, 7. Southampton v Watford, 8. Tottenham v Nottm F, 9. Wimbledon v Man U.

TELEVISION AND RADIO

Edited by Peter Dearn and Peter Davalle

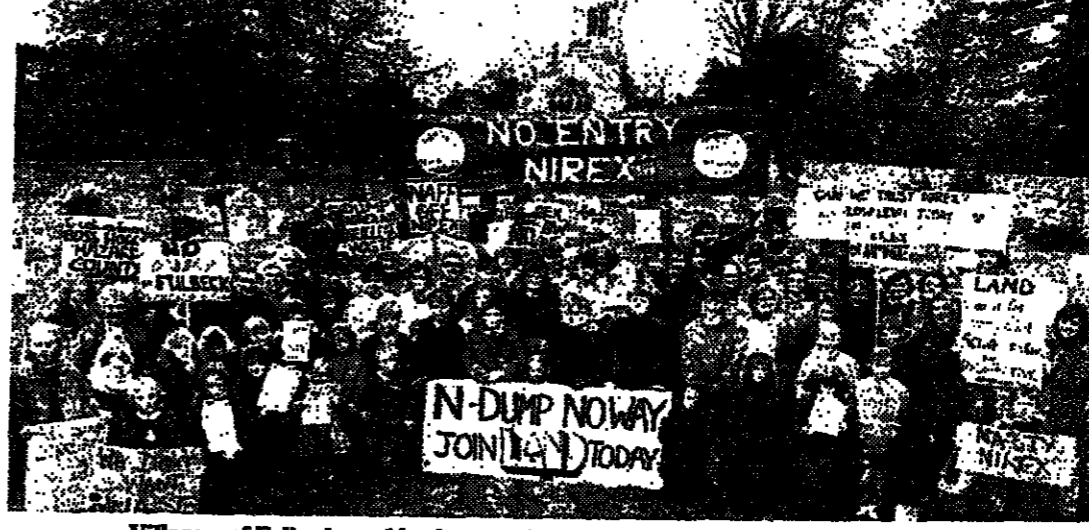
Dimming out the picture of protest

Back on the Frontier (ITV, 10.30pm), Francis Gerard's lengthy and comprehensive anatomy of South Africa's racial turmoil...

CHOICE South African military authorities did not similarly interfere with the electricity supply during some of the other interviews we see tonight...

degree of responsibility as the whites. A pity somebody did not ask him: Whose fault is that?

word of scientists and politicians. And there are the fete competitors who, suitably disfigured, parade as Miss Chernobyl and Miss Three-Mile Island...



Villagers of Fulbeck combine in an anti-nuclear dumping protest: BBC2, 7.50pm

Peter Davalle

BBC1

- 6.30 Cocker AM. News headlines followed by The Filmstarts (r) 6.55 Weather. 7.00 Breakfast Time with Frank Bough, Sally Magnusson and Jeremy Pezman. News at 7.00, 7.30, 8.00, 8.30 and 9.00...

BBC2

- 8.00 Gharbar. This week's edition includes a discussion on food and nutrition. 9.25 Daytime on Two: apprentices in Austria at work and at play. 9.52 Making a model city of the future...

ITV LONDON

- 9.25 Thames news headlines. 9.30 Scholes Physics - the laws of motion 9.55 What can be learnt from animals? 10.05 Street happenings 10.25 Britain's responsibilities 10.45 Geography: Insects 11.10 Celebratory music around the world 11.27 The harmful effects of smoking 11.44 Poetry with music...

CHANNEL 4

- 2.35 Film: Dangerous Venture (1946) starring William Boyd. A Hopalong Cassidy western adventure in which the cowboy offers to help an archeological expedition searching for Inca relics. 3.45 Years Ahead. Zena Skinner begins the first of a three-part series on basic first aid...

VARIATIONS

- BBC1 WALES. 6.35-6.00am Wales Today 6.30-7.00am Computer Challenge 7.30-8.00am West of Scotland 12.45am All the Best - Dave Allen 12.45-12.45am News. 12.55-11.00am Doctors 12.55-1.00pm News Scotland 6.00-6.30 One of the Record 6.30-6.00 No Place Home 6.30-10.30am Yes, Prime Minister 10.30-11.00am Today's Britain 11.00-11.45am Championship Snooker 12.10-12.15am News. ENGLAND. 6.35-7.00am Regional News. 6.35-7.00am News. 6.35-7.00am News. 6.35-7.00am News. 6.35-7.00am News...

William Boyd (in black hat) as Hopalong Cassidy in the 1946 western Dangerous Venture (Channel 4, 2.35pm)

Paul Eddington and Nigel Hawthorne in a repeated episode of Yes, Prime Minister (BBC1, 8.30pm)

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BACK SUFFERERS! The relief you've been waiting for. AS SEEN ON T.V. WRONG: A sagging bed or a hard bed can aggravate back pain. RIGHT: The OBAS bed gives expert support for each part of your body... Years of experience. We are the experts. All our beds are made by craftsmen and are in appearance just like top quality 'standard' beds... Who are OBAS? We are the Orthopaedic Bedding Advisory Service. Our surgical orthopaedic technician and our professionally qualified consultants have been responsible for the design of thousands of OBAS (single and double) beds to specifications dictated by weight, shape and medical history of each of our customers...

FREQUENCIES: Radio 1: 1053kHz/285m; 1089kHz/275m; Radio 2: 693kHz/433m; 909kHz/330m; Radio 3: 1215kHz/247m; VHF-90: 92.5; Radio 4: 200kHz/1500m; VHF-92.5; LBC1: 1152kHz/281m; VHF 97.3; Capital: 1548kHz/194m; VHF95.6; BBC Radio London: 1458kHz/206m; VHF 94.9; World Service: MF 648kHz/463m.

SPORT

Dream partnership is over

By Michael Seely and Charles Benson



Sangster (left) and Dickinson in their early days at Manton

Robert Sangster last night described the break-up of his association with his private trainer, Michael Dickinson, as "the end of a dream". Dickinson, the hottest property in racing after breaking all records as a National Hunt trainer, signed for Sangster some two years ago to take over the fabled Manton establishment.

Ironically, the breakdown has occurred in the past month, some weeks after newspaper reports that all was not well. These reports, though wrong at the time, helped to precipitate the split since Dickinson wanted to sue and Sangster was keen to let sleeping dogs lie.

It is irrelevant, just as good for a young horse to enjoy an educational outing at, say, Newbury or Salisbury, both local tracks, than run up huge travelling bills to Pontefract, Hamilton, and Edinburgh, and still get beaten.

And it escaped the owner's comprehension when the trainer ran his most expensive two-year-old, 950,000-dollar-worth, at Chesham, where the colt finished a respectable second, then declared him group two class only to insist, against Sangster's wishes, in running him again in the Midlands for minimal prize money and getting beaten rather than keeping him fresh for next season.

Highly sporting, but not really what Sangster had gone to Manton for. What now? "We're all allowed one mistake in life," said Sangster last night, adding: "The great thing is not to repeat it." So a successor to Dickinson, once his compensation has been worked out, will be carefully considered. There are candidates all over the world from Australia, South Africa, to California.

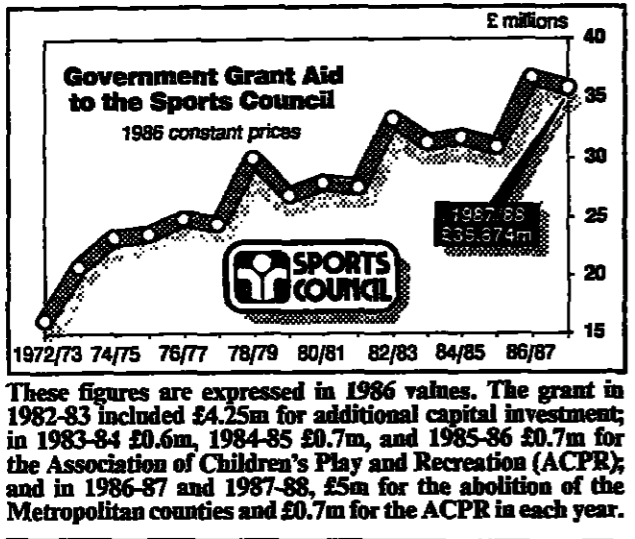
Smith attacks cut in Sports Council grant

By John Goodbody, Sports News Correspondent

John Smith, the chairman of the Sports Council and of Liverpool Football Club, yesterday attacked the government for not increasing the Council's grant for next year.

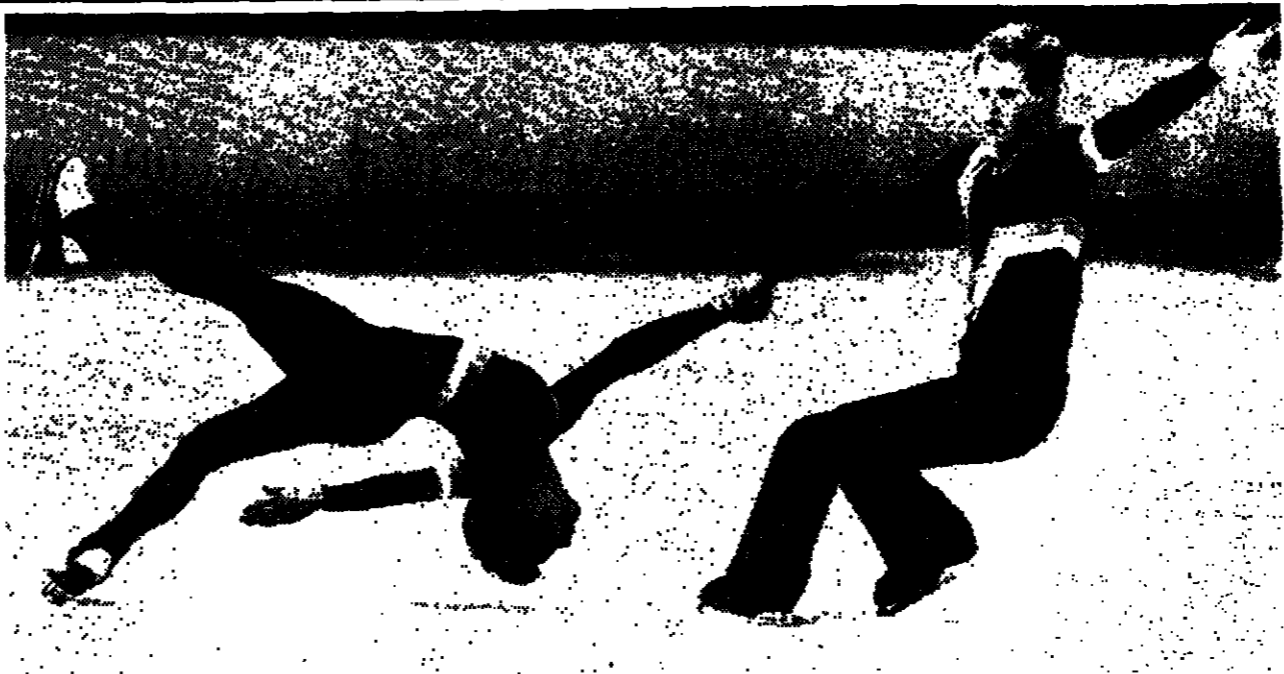
It is a sad day for British sport. We are very disappointed by the Government's decision to hold our spending to £36,984,000, the present level. This is a real cut in our grant aid of 3.5 per cent.

It would have had an initial impetus last week at the CCPR conference if the grant figure had been released while delegates were in Bourne-mouth. Richard Tracey, the Sports Minister, would certainly have had a more frosty reception after his speech to the governing bodies on Thursday.



These figures are expressed in 1986 values. The grant in 1982-83 included £4.25m for additional capital investment; in 1983-84 £0.6m, 1984-85 £0.7m, and 1985-86 £0.7m for the Association of Children's Play and Recreation (ACPR); and in 1986-87 and 1987-88, £5m for the abolition of the Metropolitan counties and £0.7m for the ACPR in each year.

Advertisement for Famous Grouse Scotch Whisky. Features a large image of a grouse on a branch and a bottle of whisky. Text includes "Quality in an age of change."



Cheryl Peake and Andrew Naylor, defending British amateur pairs champions, in a highlight of their routine at Solihull.

MODERN PENTATHLON Starostin loses title over drugs

By Michael Coleman

Anatoly Starostin, of the Soviet Union, the world modern pentathlon champion, was among 15 leading competitors in the sport who were banned yesterday from competition for two and a half years for resorting to illegal drug aids this year.

Starostin was caught out after winning his title at Montecatini Terme, Italy, in August. He has, accordingly, been stripped of his crown. It is the most humiliating slap in the face ever administered to the Soviet modern pentathlon hierarchy since Boris Onishchenko was discovered to have rigged the handle of his épée in the Olympic Games of 1976 in Montreal so that it reflected hits instead of misses.

To make matters worse for Moscow, four more of their competitors in Italy also returned positive dope tests, including Oleg Flaksin, the silver medal winner in the world junior championships, and Tatyana Chernetskaya, third in the women's contest. Their disqualifications mean that the Soviet Union has been forced to surrender the team gold medals won in both competitions.

But the Soviet teams were by no means the sole offenders. The ten others found guilty at a "trial" conducted in Stockholm yesterday before the executive board of the sport's governing Union Internationale Pentathlon Moderne et Biathlon were from the United States (two), Poland (five), and Bulgaria (three). The Bulgarians included Velizar Iliev, who won the world junior crown at Montecatini Terme. He, like Starostin, has been ordered to return his gold medal. The official records of all three contests fought out in Italy will have to be rewritten.

Conway takes lead in compulsories

By John Hennessy

Joanne Conway, the holder, won the compulsory figure section of the Tuborg Lager British women's figure skating championship at Solihull yesterday and so acquired the minimum mark of 0.6 points to carry forward to the rest of the competition.

Fiona Hamilton came from virtually nowhere for second place and 1.2 points, with Gina Fulton, last year's junior champion, third on 1.8 points. On these occasions the lower the score the better.

Miss Conway is mature beyond her 15 years and, apart from a small let-down in the second figure, she stood up wonderfully well to the strain of both the cold ordeal of this discipline and the expectations placed upon her young shoulders.

Her trainer, Christa Fassi, has accompanied her from their base in Colorado and seems conspicuously more satisfied with her young protégée than during the St. Ivel competition at Richmond, Surrey, in September. They had both worn worried expressions then, but they both seem notably relaxed at Solihull.

The omens, indeed, are good. The most obvious danger lying in wait is the combination jump in today's short programme. If that hurdle is safely negotiated, Mrs Fassi feels that Miss Conway will deliver the goods in tomorrow night's freeskating. Miss Hamilton is that rarity

BOXING Curry ire at Board stipulation

The British Boxing Board of Control yesterday defended their safety-first policy in a row over Bruce Curry, the former World Boxing Council world light-welterweight champion.

Curry, who once fired a pistol at his trainer, was due to box the British champion Tony McKenzie in a non-title bout at Bathurst on Saturday. But Frank Warren, the promoter, said the American had refused to provide a psychiatric report for the Board and the fight was off.

Warren maintained: "Curry was incensed by the Board's demand. He reckons that if he has been passed fit by his Boxing Commission, that's good enough, and I agree with him."

John Morris, Board secretary, said: "We have not demanded from Curry himself a psychiatric report, nor would there have been a psychiatrist waiting for him here. What we wanted was a report from his Commission giving full medical clearance and explaining any psychological problems that existed. In view of the incident with the gun, that was a sensible precaution."

Curry faced difficulties due to "psychological problems" after losing his WBC title in 1984. McKenzie will now fight another American, Ford Jennings, who lost a split decision to Patrizio Oliva, the WBA world champion. Jennings has won 22 of his 28 bouts, lost four and draws two.

SNOOKER A feather in cap of Parrott

By a Correspondent

John Parrott smoothly moved towards his first quarter-final appearance in more than a year at the £300,000 Tennent's UK Open in Preston yesterday.

Parrott's progress has been littered with disappointments since he burst onto the professional scene by reaching the semi-finals of the Lada Classic at Warrington as a teenager in his third tournament.

Parrott's impressive performance in the first session of his best of 17-frame third round match against Steve Longworth, of Darwin, gave his supporters further encouragement.

Parrott, who sent Johnson, the world champion, tumbling to a 9-1 defeat in the previous round, again looked in ominous form as he opened a 5-2 first session lead. Parrott led 63 and 35 goals to him the opening frame but Longworth took the next 58-49.

Parrott immediately swept to the next with a break of 32 but again Longworth, a former van driver, bravely responded with a 52 break to square. Parrott though, then produced a three frame burst, sandwiching two black ball finishes with a total clearance of 138 in the sixth frame.

Hallett, another young professional on the fringes of the game's elite top 16, looked in fine form as he carved out a 4-3 first session lead over Higgins. The Grimby professional built breaks of 86, 34, and 50 to lead 2-1, but trailing 44-37 in the next, he saw Higgins foul the final ball. Nevertheless the Irishman sealed the frame from the re-spotted black, but to Hallett's credit he ploughed on with breaks of 45, 35 and 43 to pocket a two-frame lead before Higgins bounced back to close the gap.

RUGBY UNION Richmond will study video of Moriarty

Richmond's stormy match at Swansea on Saturday could lead to another "trial by video". The Richmond prop, Chris Mills, required six stitches in an eye wound after he was allegedly punched by Swansea's Welsh flanker, Paul Moriarty. The hospital gave his sight the all clear.

Mike Humphreys, chairman of Richmond's playing committee, said yesterday: "It was a rough game, and somebody got hurt. Harlech TV covered the match and I will be surprised if we don't ask to see the video. Until then, we are saying and doing nothing." Later in the game, Swansea's prop, Steve Forster, was sent off for kicking an opponent.

Schmid out

Harald Schmid, the European 400 metres hurdles champion, has pulled out of a series of coaching clinics in Britain because of commitments at the West German university where he works. The clinics, sponsored by Minoita, in Belfast, Bracknell and Stoke, have been postponed.

SPORT IN BRIEF Scots toe the line

Random drug tests will be introduced by the Scottish Golf Union in its major tournaments next season. Following a recommendation by the Scottish Sports Council (SSC), the SGU has agreed to undertake tests in senior and youth events.

Competition entry forms will warn players that they may be asked to give a sample for tests, which will be carried out by doctors appointed by the SSC.

Wade's team

Virginia Wade leads the British tennis team which sets off for The Netherlands today for the European women's team championship in Eindhoven. Accompanying Wade, the captain, will be Annabel Croft, Sara Gomer and Belinda Borneo as well as Owen Davidson, the coach. The team's first match in the round-robin stage will be against West Germany on Thursday, in a group which also includes France.

In the dark

Billy McNeill, the Aston Villa manager, played down reports yesterday that Andy Gray is likely to become player-manager of Hibernian, the Scottish premier division side. The Scotland international still has 18 months of his contract to run, at Villa Park, and McNeill said: "We know nothing about the situation at all. Neither Hibs nor any other club has been in communication with us."

Close call

Sweden edged into a 2-1 lead over Scotland in yesterday's opening session of the Prudential Cup badminton international at Wishaw. There was victory for Dan Travers and Billy Gilliland in the men's doubles, but defeat for Jenny and Elinor Allen - beaten 10-15, 16-17 by Christine Magnusson and Maria Bengsten in the women's doubles - and Kenny Middlemiss, who lost 10-15, 3-15 to Jonas Herrygaard in the men's

All square

Bloemfontein (Reuter) - The Australian rebel cricketers settled for batting practice yesterday as their three-day match against Orange Free State ended in a draw. The tourists reached 100 for one in the final session, opener Steve Smith hitting an unbeaten 54. The South Africans were dismissed for 367 in reply to the rebels' first innings total of 412 for nine declared.

Gray: No move

Gray: No move